

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 23, 1932



A Heartfelt Welcome May Grow From This Small Folder

Standing before the smoking ruins of his home, the property owner does not call insurance an expense or his agent a nuisance! They are his security in disaster. Recognizing this in advance, Camden agents are salesmen in the finest sense, proud to use sales pressure because they know that adequate insurance is true service.

Therefore, the most successful Camden agents work behind a barrage of direct mail advertising which makes definite statements and demands immediate action. They follow it up religiously

because it speeds their sales usefulness and stretches their list of prospects.

Camden agents and their clients know that they are backed by the generous policy of a sound company. Every fire loss is honestly adjusted, and Camden's impregnable financial position *guarantees* security.

Would you like the assistance of such a company? Write for a copy of the fire folder. Ask about the possibility of a Camden agency. It may mean much to both you and us.



Write for a copy of this fire folder. Ask about the possibility of a Camden Agency.



CAMDEN FIRE INSURANCE ASSOCIATION

Camden, N. J.

Camden Has Gladly Met Every Legitimate Obligation for Over Ninety-One Years

Jun

"The Oldest American Fire and Marine Insurance Company"

Founded 1792



Insurance Company of North America

PHILADELPHIA

and its affiliated companies:

ALLIANCE CASUALTY COMPANY

THE ALLIANCE INSURANCE CO. OF PHILA.

CENTRAL FIRE INSURANCE COMPANY

INDEMNITY INS. CO. OF NORTH AMERICA

NATIONAL SECURITY FIRE INS. CO.

PHILADELPHIA FIRE & MARINE INS. CO.

*write practically every form of
insurance except life*

North America facilities are now available in
the Philippines, Porto Rico, Mexico,
China and Great Britain



The Home Fire & Marine trademark pictures a full-rigged ship entering San Francisco Harbor through the Golden Gate at sunset. In 1923 Postal authorities at Washington, D. C., adopted this trademark for the 20c stamp now in use.

Strength, Permanence and Stability

An agency connection with the Home Fire & Marine, founded in 1864, is an alliance with a company of unquestioned security and unfaltering service — security and service that rest on a firm foundation of strength, permanence and stability. From coast to coast, Home Fire & Marine has earned the confidence of the insuring public.

Fire • Automobile • Marine • Casualty • Fidelity • Surety

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*Fireman's Fund Insurance Company
Home Fire & Marine Insurance Company
Occidental Insurance Company
Fireman's Fund Indemnity Company
Occidental Indemnity Company*

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Our Golfers Combined Policy

Public Liability
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 Golfing Equipment

\$ 10.

The AMERICA FORE GROUP of Insurance Companies
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 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

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New York, N.Y.

THE FIDELITY AND CASUALTY COMPANY

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 BERNARD M. CULVER, President
 ERNEST STURM, Chairman of the Board
 WADE FETZER, Vice Chairman
 BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 25

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 23, 1932

\$4.00 Per Year, 20 Cents a Copy

Fire Rate Boost Seen Inevitable

Even Outside Interests Now Acknowledge Business Needs Adequate Premium Basis

SITUATION IS CRITICAL

President Bailey of National Board Urges Reexamination of Rate Structure, Immediate Action

NEW YORK, June 22.—Having trimmed every controllable expenditure to the last possible degree, fire company officials now are devoting their attention again to the matter of rates, impelled by the growing loss record and the imperative need for making income at least keep pace with outgo.

With premium volume off anywhere from 14 to 16 percent, and with scant likelihood of improvement for some time to come, steadily increasing losses and expenses virtually at the irreducible minimum, rate advances, at least on certain classes and in particular territories must be secured.

Bailey Reviews Situation

As President C. W. Bailey of the National Board in the course of his recent annual address pointed out, the average rate has declined steadily in recent years, being but 73.29 cents per \$100 in 1931, as against 80.08 cents in 1929, which was a third below the pre-war period.

"Now if ever," Mr. Bailey said, "is the proper time for a thoroughgoing reexamination of our rate structure with a view to removing the causes of this growing disproportion between the value of the service we render and the charge we make for it."

Proper Proportion Essential

He warned that "the disappearance of a proper relationship between the huge sum-total of risks assumed by insurance and the diminished premium income received by the companies jeopardizes the stability and threatens the downfall of the very institution that hitherto has been relied upon as one of the surest defenses against economic and social breakdown."

Condition of Long Standing

Twelve months ago, James Wyper, who preceded Mr. Bailey as president of the National Board, likewise dwelt upon the necessity of getting better rates, which, he said, had reached an average which was the "lowest point in all American fire insurance history."

True it is that much of the decline in average rate is attributable to superior building construction in centers of population as compared to that of former years, but it is none the less a fact that the whittling process has been carried altogether too far; and for this condi-

Trusteeships Not Proving Successful in Depression

HUMAN ELEMENT IMPORTANT

Tendency of Agent Is to Slacken Activity—Diminishing Income Makes Problem Acute

Experience of most companies indicates that the trusteeship method of handling agencies, which becomes deeply involved, is not satisfactory under present conditions. One executive states that only a very few agencies, in his experience, that have been trusted during the depression have worked off their obligations and that these agencies would have regained their good standing even had no trustee been appointed.

The difficulty under trusteeship is the same difficulty that is encountered in attempting to work out any situation in a declining market. The premium income of the agency diminishes naturally from the fact that term policies are rewritten on the annual basis and insurance values have to be revised downward on renewal. Then too the average agent is likely to be far less aggressive under a trusteeship. A trustee is put into effect rather than a receivership in the hope that the cooperation of the agent may be obtained, but usually there is a very natural human letdown.

Human Element Important

The trusteeships that have worked out have been those in which the agent has been competent and has maintained his morale. Some executives feel that an agent of this character could probably work out his affairs without the machinery of a trusteeship. The human element determines and situations cannot be saved by throwing together machinery or a system.

In trusted agencies, except the large ones in larger centers, one of the field men in the agency is appointed trustee. He signs all the checks and takes off the figures every time he visits the agency. The agent is put on a drawing account, which is in reality a salary. Sometimes it has been found that due to the diminishing premium income, the agent's drawing account exceeds what he would receive if commissions were turned over to him in full. In larger agencies sometimes an outsider is brought in on a full time basis as trustee and occasionally one of the field men is taken off the road and put in charge on a full time basis.

Trusteeships are not a popular method of salvage with the companies. Some companies are forced to agree to a trusteeship, when the majority of companies in an agency decides upon that course.

tion, as Mr. Bailey stated, the companies are themselves largely responsible.

In their eager competition for business, schedules have been studied by insurance engineers, charges eliminated for this, that or the next reputed fire reduction device; large classes of risks previously written strictly upon an annual basis, transferred to the term class, and sweeping reductions applied in wide

Ohio Department Acts Again on Fur Insurance Selling

LETTER SENT TO COMPANIES

Personal Solicitation by Furriers Still Continues Although Intensive Advertising Is Relinquished

About a year ago the Ohio superintendent of insurance issued a ruling calling attention of the inland marine companies to the law regarding certain forms of inland marine coverage. Last week, after continued activity of furriers in dispensing insurance, a very definite letter was sent out by the insurance department to several insurance companies calling their attention to the existing situation and concluding with: "No person has any right to engage in insurance solicitation unless licensed by the division of insurance and we certainly would not license the proprietor of a furrier's establishment or his clerks. We look to you to stop such unlawful activities, immediately."

Vigorous Solicitation

Furriers and others in the same type of business in Cleveland and other cities of Ohio have in the past used full page newspaper advertisements, direct mail, radio and personal solicitation to sell insurance policies covering furs placed in storage and even for months after the furs are withdrawn, according to the insurance department. The solicitation was so vigorous that agents rose up in arms against the practice. In the face of this storm, the furriers stopped advertising but personal solicitation is still going forward.

The feeling prevails that if insurance companies are going to place in the hands of furriers and others certificates of insurance and put them in a position to transact an insurance business, the arrangement is a distinct menace to the insurance business as a whole. And if continued it will break down the morale of the license laws.

Agents Ready to Battle

Many arguments have been put forward in defense of their operations but the agents, backed by the insurance department of the state, take the position that these activities are entirely unlawful and they will be prevented by all available means. The Ohio department is rightly taking the stand that, even if the furriers cease to advertise, they must go beyond that and stop handling it entirely in their places of business. Agents are ready to battle the issue to a finish and the superintendent of insurance has already warned those concerned that the practice must cease immediately.

sections of the country for one reason or another.

While it is always easy to secure rate reduction, it is altogether a different matter to increase premiums, as witness the attempts made from time to time, when strong opposition was encountered from state commissioners and organized business interests.

(CONTINUED ON PAGE 27)

Great Interest in Chicago Meeting

Insurance Commissioners Draw Large Crowd of Observers as Onlookers

VALUATION ISSUE IS UP

Organizations Are Well Represented as a Number of Vital Questions Are Being Considered

The valuations committee of the National Convention of Insurance Commissioners in executive session Wednesday adopted a resolution favoring the amortization plan of valuing bonds of fire and casualty companies. The resolution also expressed sentiment in favor of legislative amendments to permit the use of amortized values in states where it is now prohibited. The resolution contained a recommendation which was voiced by Superintendent Van Schaick in a lengthy paper presented to the valuations committee.

The resolution will be presented to the executive committee of the commissioners' convention and then to the convention proper Thursday. The resolution did not refer specifically to the June 30 statement, but approved the amortization idea as a general principle especially in times of economic disturbance.

The question of valuations of stocks was left in the air and the assumption is that the New York department will exercise judgment in individual cases in connection with the June 30 statement.

Mr. Van Schaick informed the commissioners that the New York department had set up a statistical bureau to advise the companies in the valuation of securities.

The meeting of the executive committee of the National Convention of Insurance Commissioners at Chicago this week attracted a large attendance, not only of state officials but company executive and organization men. Paul L. Haid of New York, president Insurance Executives Association, was on hand as an onlooker. The casualty men came to the convention and also killed two birds with one stone inasmuch as they met the Chicago local contingent in the effort to straighten out acquisition cost problems in the city. They were naturally interested in the proposed move to increase compensation rates accompanied by other interesting features.

The main question centered about the recommendation of the committee on valuation of securities of which Superintendent Van Schaick of New York is chairman. The New York state department delegation was large as usual.

Commissioner Boney of North Carolina, chairman of the executive committee, was in charge of the opening meeting. Other committee meetings scheduled were those on valuations, fire

(CONTINUED ON PAGE 27)

Much Interest in Active Campaign

Foreign Companies Strike Fire in Pushing for Greater Advantage

AMERICANS ARE RESTIVE

Insurance Commissioners Talk Over Subject in an Informal Way in Hotel Lobby

There was considerable interest manifested, more particularly in hotel lobby conversation, at the gathering of the National Convention of Insurance Commissioners in Chicago this week regarding complaints made in an informal way with some of the prominent state departments concerning certain phases of the aggressiveness of foreign companies in pushing their cause at the moment. The foreign companies are reaching out and are far more forceful in their competition than they have been, basing their arguments with agents and assured largely on their financial policy, the character of their investments and home resources.

Inquiry as to Home Office Figures

The commissioners say that while the complaint has not been made in a formal way with specific details, inquiry has been made as to how far foreign companies are justified in using home office figures in selling their policies and influencing agents. The point is made that the laws of some states prohibit a foreign company from advertising its home office statement. It must rely entirely on its United States financial exhibit.

Evidently the complaint made to the departments is that field men especially are using home office statements to swerve agents and assured. The complainants have told the commissioners they have no objection whatever to the use of United States statements and an analysis of investments in their American portfolios. That is perfectly legal but American officials seemingly are not willing to have the impression left that home office resources of foreign companies are necessarily back of their American obligations. Legally the point is made that all a foreign company can promise is the extent of its United States funds.

Often Draw on Home Office

Morally they may go further and in times of stress and storm more funds may be sent from home offices to strengthen United States finances. It has often been done. Foreign companies are required to file with the New York department amounts remitted to and received from home offices during the year. There is no legal obligation, the complainants say, for a foreign company to draw on its home office resources. The commissioners assert that American officials have told them the legal aspects are not made clear to agents and assured as the impression seems to have been created in some quarters that the entire home office funds are back of the United States financial exhibits. This seems to be the issue made with the commissioners.

Some Companies Particularly Active

The state officials say that in the conversations with American underwriters it was reported some foreign offices are particularly active and are taking advantage of every possible opportunity. Others are felt to be help-

(CONTINUED ON PAGE 25)

W. O. Wilson Opposes Idea of Automatic Cancellation

RESENTS MECHANICAL TREND

Mere Clause Can't Make Good Collectors, President of Virginia Agents Contends

Opposition to the application of an automatic cancellation clause for non-payment of premiums was expressed by W. O. Wilson in his presidential address before the Virginia Association of Insurance Agents.

Mr. Wilson said the policies are already invalid if the premium has not been paid; that the cancellation feature would not cure the collection evil; that if the clause were not adopted by mutuals and reciprocals, it would be a sales obstacle; that the clause would waive advance payment of premium, likewise payment in 45 or 60 days could be waived.

Resents Mechanical Trend

Mr. Wilson contended that the clause would seriously complicate the handling of open accounts for customers having different kinds of insurance and interfere with the handling of casualty premiums paid on the monthly or quarterly basis. It would encourage the practice of taking notes, he argued. A mere clause, he said, cannot make good collectors out of poor ones.

"Let's run our own offices," he said. "We are constantly surrendering our

Philadelphia Seeking Official Recognition

PHILADELPHIA, June 22.—In view of the bicentennial now being celebrated and the historical interest attaching to this city, insurance interests here are sponsoring a move to induce Congress to sanction the immediate issuance of a 3-cent postage stamp, which would focus the attention of the people of the world on Philadelphia as the original home of fire insurance in this country, in connection with the annual convention of the National Association of Insurance Agents to be held in the city Sept. 20-23. W. H. Bennett, secretary of the National Association of Insurance Agents, wired David A. Reed, one of Pennsylvania's senators, urging his cooperation in the effort.

rights until in fact we are but rubber stamps. I resent the mechanical trend in our business."

Mr. Wilson criticized the automobile rate increases in Virginia. He asked why the companies should find it necessary to advance the rates 110 percent in that state in a year. "Were their rates," he asked, "so much out of line during the previous 12 months, and, if so, why? Should not we, the salesmen, have been given some inkling of what was to happen and the reasons? The casualty business needs to reorganize

(CONTINUED ON PAGE 25)

THE WEEK IN INSURANCE

Insurance Commissioners are holding their meeting in Chicago this week, being called by the executive committee of their organization. **Page 3**

President Bailey of National Board urges immediate reexamination of **fire rate structure** in effort to offset decline in average rate and secure adequate tariffs. **Page 3**

Ohio insurance department sends warning to companies asking them to help stop furriers from selling **fur insurance**. **Page 3**

Most executives find that the **trusteeship method** of working out involved agencies is not proving successful. **Page 3**

President Haid of **Insurance Executives Association** in exposition of objectives at joint agents' associations meeting in Pittsburgh. **Page 4**

Informal complaint is made to some of the state insurance commissioners that foreign companies are going too far in using **home office statements**. **Page 4**

E. E. Cole, Jr., former vice-president of the National Union Fire, has been appointed eastern manager of the General of Seattle group. **Page 5**

George C. Long, vice-president Phoenix of Hartford, becomes chairman of the executive committee of the National Board. **Page 8**

J. H. Gausepohl of Covington is elected president of the Kentucky Association of Insurance Agents at the annual meeting in Louisville. **Page 5**

W. Owen Wilson of Richmond is re-elected president of the Virginia Association of Insurance Agents at the annual meeting in Richmond. **Page 5**

Kentucky Fire Underwriters Association favors plan for special treatment of localities with bad loss ratios, as followed in Missouri and Oklahoma. **Page 8**

James E. Hassinger, vice-president of the Louisiana Insurance Society, in addressing the Mississippi agents, warns against cut rates based upon reduced commissions. **Page 31**

W. O. Wilson, in his presidential address before the Virginia Association of Insurance Agents, expresses opposition to the automatic cancellation idea. **Page 4**

Edward Hunt, assistant manager of the A. H. Turner General Agency, joins the National Union as general agent for the southern department with headquarters at the home office. **Page 5**

F. C. Snapp, farm superintendent for the Aetna, urges Kentucky agents to obtain general uniform amount of coverage on all insurance items on the farm. **Page 8**

Mississippi Association of Insurance Agents holds annual meeting in Jackson. **Page 7**

Wisconsin Fire Underwriters Association holds annual meeting at Lake Delaware. **Page 10**

The first **five months' fire losses** this year show an increase of over \$1,435,000 as compared with last year. **Page 12**

Radical changes in the compensation line are submitted to insurance commissioners at Chicago meeting by stock casualty interests. **Page 31**

R. A. Algire, vice-president National Surety, endorses state trooper and state vigilante system in combating bank robberies, saying that installation of protective devices is not the solution. **Page 31**

New **Virginia** automobile rate administration bureau is launched. **Page 32**

Chicago plate glass bureau begins functioning; July 1 deadline set for filing September renewal rates; method of operation detailed at meeting this week. **Page 33**

C. T. Hyre, Louisville manager for the Fidelity & Casualty, analyzes the problem of public official bonds in view of the depository feature in his address before Kentucky Association of Insurance Agents. **Page 32**

Study of the **casualty automobile business** shows the terrific punishment companies have taken during the last three years. **Page 33**

Karl L. Nordyke, casualty manager for the Travelers at Louisville, in address before Kentucky Association of Insurance Agents, cites the best sales opportunities in the casualty field. **Page 32**

Agreement reached on **Chicago Acquisition Cost Control** at conference there. **Page 31**

Haid in Outline of I. E. A. Objectives

Organization President Addresses Joint Meeting of Agents' Groups at Pittsburgh

COOPERATION BIG NEED

Official Says Companies Favor Locals' Cancellation Plan, and Qualifications if Properly Drawn

NEW YORK, June 22.—Ever since fire company officials announced their intention over a year ago to form an organization of stock interests primarily to improve conditions through more effective observance of association rules and ethical practices and by close cooperation with local agents, there has been keen interest in activities of the Insurance Executives Association, which began functioning last May.

What the association aims to accomplish and the lines along which it proposes to work, in so far as these may be defined in advance, was set forth generally by its president, Paul L. Haid, in an address before a joint gathering of the Fire Insurance Agents Association of Pittsburgh and the Allegheny County Agents Association at Pittsburgh, attended by 260 local and special agents, company officials and adjusters.

Close Cooperation Needed

Mr. Haid said that if the main objectives are to be realized there must be close and intelligent cooperation between companies and local agents, particularly on such issues as agency qualification laws, expenses of the business and uncollected premiums.

Admitting that formerly many company executives were not kindly disposed toward agency qualification laws, Mr. Haid said majority attitude has markedly changed in this respect the last decade. He said during this period the National Board outlined fundamentals, which if incorporated in proposed qualification bills without other objectionable features, would be endorsed by companies with instructions to field forces to campaign for their enactment.

Makes Startling Statement

He stressed the importance of premium collections, making the startling assertion that if the unearned premiums of fire and casualty companies were actually received they would be more than sufficient "to pay the expenses of every rating organization and every inspection bureau throughout the entire country, amounting as they do to over \$25,000,000, a sum more than the average underwriting profit of all fire and casualty companies during the past ten years."

The proposal now being considered by the National Association of Insurance Agents to incorporate a clause in fire and casualty policies providing for their automatic cancellation within a stipulated time in event of non-payment of premium, President Haid said, found favor with company officials, and this endorsement would be recommended for use in those states which do not have standard policy laws. The time limit should be held to 30 days, he said.

As to reducing expenses in so far as these may be governed, Mr. Haid stated, close analysis of the cost of conducting different rating work was being made, and already startling differences have been noted between vari-

(CONTINUED ON PAGE 25)

Gausepohl Heads Kentucky Agents

Activities of Allstate Discussed at Annual Meeting in Louisville

FIELD MEN AT SESSIONS

Agents to Sponsor Another Qualification Bill at Next Session of the Legislature

NEW OFFICERS ELECTED

President—J. H. Gausepohl, Covington. **First vice-president**—J. E. Manning, Henderson. **Second vice-president**—G. R. Reed, Columbiana. **Third vice-president**—James McKinney, Owensboro. **Fourth vice-president**—G. J. White, Harlan. **Secretary**—Leo E. Thieman, Louisville.

More than 100 local agents were on hand for the annual meeting of the Kentucky Association of Insurance Agents at Louisville. At the afternoon session attendance was swelled by the presence of many field men, who had concluded sessions of the Kentucky Fire Underwriters Association and Kentucky Fire Prevention Association.

The program was arranged in cooperation with the Kentucky Fire Underwriters Association and the Casualty & Surety Association of Louisville.

President Len S. Shaw, Mayfield, called the meeting to order. John S. Long, president Louisville Board, welcomed the convention. Response was made by J. H. Gausepohl, Covington, first vice-president.

President Shaw's Address

President Shaw touched on state, local and National association problems, the increasing need of cooperation from all interests, and the position of fire insurance companies today, faced with large loss ratio, inability to secure increased rates, dwindling volume of premiums, and loss in security value of their investments, reduction in capital to increase surplus, and increased need of better underwriting by the agents.

Leo E. Thieman, secretary of the Kentucky association and of the Louisville Board reported on legislative activities. He recalled that the agency qualification bill after passage by a majority of 90 to 2 in the house and 27 to 6 in the senate, was vetoed by Governor Laffoon.

Mr. Thieman also recited what the newly enacted resident agency law means. It requires policies to be signed by Kentucky resident local agents exclusively, not only fire, but casualty, fidelity and surety lines as well. The new act prohibits field men or company employees of any kind to countersign. State Auditor Talbott, he said, has agreed to enforce the act to the letter.

Discusses Allstate Activities

Mr. Thieman discussed recent activities of the Allstate automobile company identified with Sears, Roebuck & Co., in Kentucky. Letters of solicitation from Chicago have been received by Kentucky residents. These activities, Mr. Thieman said, had been called to the attention of Mr. Talbott. The West Virginia department, he declared, has questioned the validity of the Sears, Roebuck methods. Mr. Thieman held that the Allstate's rate methods were not in line with Kentucky statutes, nor was the program of the company, in solicit-

(CONTINUED ON PAGE 39)

Made Eastern Manager of General of Seattle Group

E. E. COLE, JR., IN NEW POST

Resigns as Vice President of National Union to Open New Office at Pittsburgh

E. E. Cole, Jr., vice-president of the National Union Fire and National Union Indemnity, has been appointed eastern manager of the General of Seattle companies including the General, First National, and General Casualty. The department will have headquarters at Pittsburgh with Mr. Cole in charge. Mr. Cole is highly regarded in the business. He started his insurance career in 1913 as special agent of the Franklin of Philadelphia in New York and later traveled in Michigan for the company. In 1916 he entered the service of the National Union Fire, his father being the organizer and president. For a number of years he had charge of branch office operations in the middle western and southern states. In 1926 he was elected vice-president and called to the home office. He has resigned as of July 1 to take his new position. Mr. Cole has had an all-round experience in insurance and made many friends.

E. W. Hall, executive vice-president of the General of Seattle companies, was formerly vice-president of the National Union Fire, therefore Mr. Cole and he will be again associated in business.

Hunt Joins National Union as Southern General Agent

Appointment of Edward Hunt as general agent for the southern department of the National Union, with headquarters at the home office in Pittsburgh, is announced.

Mr. Hunt renews an association that existed several years ago when he was special agent in Virginia, the Carolinas and the District of Columbia for the National Union.

Mr. Hunt is a native of Richmond, Va., attended Georgia Institute of Technology and entered insurance with the Southeastern Underwriters Association. Subsequently he was associated with Godfrey & Carpenter, southern department managers at Atlanta, later special agent in Louisiana, Mississippi and Alabama for C. H. Godfrey, southern department manager of several companies, and following his service with the National Union joined A. H. Turner, who is southern manager of several companies.

Following four years as special agent in Virginia, he became assistant manager of the A. H. Turner general agency, which connection he is now severing.

Referee Named in Case of Commissioner G. W. Brown

ST. PAUL, June 22.—P. C. Reynolds, an attorney of St. Paul, has been named referee to hear charges filed against Commissioner Garfield W. Brown of Minnesota by Z. H. Austin, Minneapolis. The hearing will begin June 27.

Sturgeon Elected President

WAWASEE, IND., June 22.—At the annual meeting today of the Illinois Field Club Homer Sturgeon of the Monarch was elected president, John Hon, Firemen's, vice-president, Ray Hagen, Ohio Farmers, secretary and Dan T. Smith, Milwaukee Mechanics, treasurer.

Virginia Greeter



LOUIS E. ENGLISH, Richmond, Va.

L. E. English of Richmond, Va., well known general agent and active in the American Association of Insurance General Agents, brought greetings from his body to the annual meeting of the Virginia Association of Insurance Agents in Richmond last week.

Milligan Made President of Northwestern Mutuals

D. O. Milligan, secretary Western Grain Dealers Mutual, Des Moines, was elected president of the Northwestern Association of Mutual Insurance Companies at its convention in Minneapolis. A. W. Nygaard, Grand Forks, N. D. was elected vice-president, and S. T. Sager, Minneapolis, reelected secretary-treasurer. Directors are Mr. Milligan, S. H. Scallin, Mitchell, S. D.; Mr. Nygaard, Mr. Sager, H. B. Chase, Albert Lea, Minn.; Henry Weihbreght, Milwaukee; F. H. Wilder, Fargo, N. D. and R. D. Austin, Mason City, Ia.

A provision in fire policies calling for a 60-day waiting period before a claim is allowed was advocated by H. L. Hjermstad, Red Wing, Minn., retiring president. Such a provision, he argued, would eliminate many claims arising through fraud and arson.

The association's reporting service on risks, which has been given a year's trial, will be continued. A proposal for a uniform commission scale was referred to a committee for further action.

Speakers included D. A. Tripp, Mutual Reinsurance Bureau, Belvidere, Ill.; L. T. Jones, Des Moines; J. W. Baker and J. C. Christensen, Owatonna, Minn.; H. L. Nehls, Cedar Rapids, Ia.; R. W. Sinz, manager Retail Credit Co., northwestern division, and J. E. Hanson, Retail Hardware Mutual.

Sommers and Bird on Tour

Paul B. Sommers, vice-president of the American of Newark, and Robe Bird, manager of the western department, are visiting a number of principal centers in Western Underwriters Association territory this week. While they were in Indianapolis on Monday, Mr. Sommers had a little visit with his brother, Richard K. Sommers, Indiana state agent of the Boston and Old Colony, and incidentally made the acquaintance of a new nephew, a recent arrival in his brother's home.

The **Guaranty Insurance Agency**, Marion, Ind., has been incorporated by Harry Goldthwaite, Ben Larrimer, R. T. Hutton, Henry Erlewine, Arthur Oshorn, J. A. Rhue, F. X. Gartland, R. M. Vanatta and H. W. Hooper.

Virginia Agents Reelect Wilson

Association Goes on Record Against Automatic Cancellation, Underwriters Agencies

BANK AGENCIES ARE UP

B. W. Sebrell, Jr., Reports Membership at 254—Valuable Addresses Are Heard at Richmond Meeting

W. Owen Wilson of Richmond was reelected president of the Virginia Association of Insurance Agents at the annual convention in Richmond. Other officers are: K. Duval Scott, Lynchburg, first vice-president; Miss Catherine Cox Garrett, Leesburg, second vice-president; Frank S. Blanton, Farmville, secretary.

New committee chairmen are: E. W. Barger, Waynesboro, executive; Charles J. Duke, Jr., Portsmouth, legislative; Roger Clarke, Fredericksburg, public relations; John Graham, Alexandria, conservation; Ben W. Sebrell, Jr., Lawrenceville, membership.

Selection of the meeting place for the 1933 convention was left to the executive committee. Invitations were received from Lynchburg and Charlottesville.

The meeting was well attended, agents from practically all parts of the state being present.

Annexes Are Condemned

Among the resolutions adopted was one condemning underwriters' agencies which were declared to be inconsistent with the principle of single representation and with upright and straight-forward methods. It was agreed that the interest of association members would be best served if they declined to represent such agencies either by accepting appointment hereafter or by continuing to represent them where they now hold such appointments.

Another resolution placed the association on record against the automatic cancellation of insurance policies for non-payment of premiums.

Growing tendency of companies to cut commissions was frowned upon, and attention was called to the request of the National association to report such cases to it before commission contracts are changed. Confidence was expressed in the Insurance Executives Association and Paul L. Haid, its chief executive.

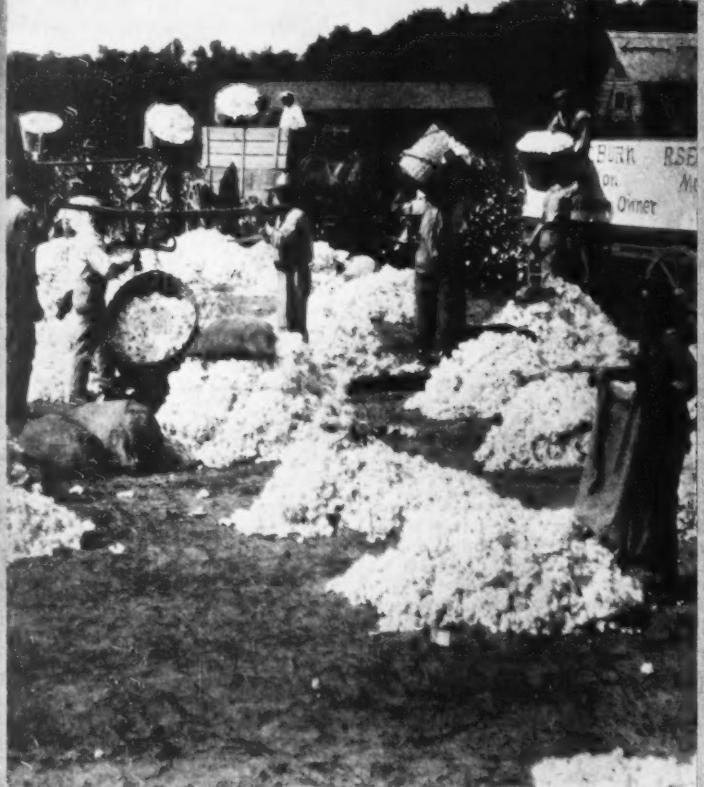
President Wilson read a letter from Mr. Haid expressing regret at being unable to attend the convention. Greetings were also received from J. B. Levison, president of the Fireman's Fund; Langdon C. Quin, president American Association of Insurance General Agents, and W. B. Calhoun, president of the National Association of Insurance Agents.

Plea by G. C. Peery

George C. Peery, chairman of the Virginia state corporation commission, made a plea for cooperation between the agents and the commission. He said the principle of regulation as a phase of governmental activity is now on trial. To succeed, those unfair practices which still obtain in the insurance business must be eliminated. This, he said, can only be obtained, by cooperation between the agents and the commission. He voiced opposition to extending the principle of governmental regulation too far because it would lead to bureaucracy and increasing governmental

(CONTINUED ON PAGE 29)

**'Way Down South
and The Dixie'**



**MONTGOMERY
Alabama**

MONTGOMERY was founded in 1817 by Andrew Dexter, of Rhode Island, on the site of the legendary Indian village of Ecunchatty. He named it New Philadelphia. In 1818, another settlement was made close by called East Alabama Town, and in 1819 the two were consolidated and named after the Revolutionary hero, Richard Montgomery. In 1846 it was made the state capital.

Because of its location, it was the focus of the secession movement, and it became the first capital of the Southern Confederacy in 1861. The following year the capital was moved to Richmond, and in 1865 Montgomery was reoccupied by the Union Army.

Today it has a population of about 70,000 and is an important concentration point and a market for cotton, mules, yellow pine and hardwood lumber. Situated on the bluffs of the Alabama River, it is one of the principal gateways to the Gulf ports. It does a large jobbing and wholesale business, and yet it has retained many of its spacious Southern-Colonial residences with their large gardens.

**The DIXIE
FIRE INSURANCE COMPANY
Greensboro, N. C.
ONE OF THE AMERICAN GROUP**

CHANGES IN THE FIELD

National Rearranges Field

Paddon Becomes Senior Field Man in New England—Crossley to Home Office

HARTFORD, June 22.—A. M. Paddon, special agent of the National Fire in western New York, has been appointed general agent for eastern New England with headquarters in Boston, to succeed the late W. H. Lewis. Mr. Paddon was educated in the Chicago schools and Armour Institute. He was for six years with the Underwriters Laboratories and for ten years was chief inspector of the electrical department of the Underwriters Association of New York State. For the past 11 years he has represented the National Fire in western New York.

As assistant to Mr. Paddon in eastern Massachusetts and Rhode Island, K. F. Akers has been appointed special agent. He is a graduate of the Massachusetts Institute of Technology, had ten years experience with the Underwriters Bureau of New England and New England Insurance Exchange, rating improved risks and in charge of the railway and lighting schedule rating department and as fire protection engineer. He is also familiar with the analytic schedule. Special Agent L. L. MacIver will continue to supervise Maine, New Hampshire and Vermont for the National.

Special Agent F. T. Crossley, who has served in the eastern New England field for some years, will be transferred to the home office and put in charge of the improved risk department, with the title of superintendent.

New York Changes

State Agent J. E. Kelly will continue in charge of eastern New York with headquarters in Albany. New duties will be assigned to Special Agent E. A. Pelton, which will take him out of New York state.

The new central New York field will consist of a portion of the former territories of Mr. Paddon and Mr. Kelly. Special Agent C. A. Collin will have charge of central New York with headquarters in Syracuse.

Mr. Collin served with the New York rating bureau, was in the eastern New York field with Mr. Kelly for several years and recently has been with General Agent Zweig in the New York City brokerage office of the National.

Rogers Takes Western Section

The new western New York territory will be in charge of Special Agent S. E. Rogers, who will be located in the National's present office in Rochester. He is a graduate of the Massachusetts Institute of Technology, has had bureau training, two years' experience as a contact man for an independent insurance service organization, and ten years in the improved risk department of the National, of which he has been superintendent since 1929.

Special Agent L. F. Willoughby will continue with Mr. Rogers at Rochester, but the National expects shortly to transfer him to other work.

W. C. Sonnen

W. C. Sonnen of Chicago, formerly special agent of the Liverpool & London & Globe in Illinois, is joining the Detroit F. & M. organization, having been appointed chief examiner at the head office. For two weeks Mr. Sonnen is doing some special field work for the company in Illinois. He is a former president of the Illinois Fire Underwriters Association. Mr. Sonnen has had valuable experience both in office and field work.

C. M. Gallagher Is Promoted

Made Secretary of Atlas and Albany—Ludington and Crossman in Pennsylvania Field

C. M. Gallagher has been promoted from eastern Pennsylvania special agent of the Atlas and Albany to secretary of the companies and transferred to New York City. F. L. Ludington has been appointed his successor in the field, being transferred from western Pennsylvania. In the latter field Mr. Ludington has been replaced by R. J. Crossman, recently traveling in that field for the Tokio and before that for the National Union Fire. Mr. Ludington has established headquarters in Philadelphia and Mr. Crossman in Pittsburgh.

Woodcock to National Union

Former Tennessee Field Man Quits Life Insurance to Return to Old Pursuits

C. C. Woodcock has become associated with the National Union Fire as state agent for Tennessee with headquarters in the Stahlman building, Nashville, Tenn. The appointment of Mr. Woodcock necessitates the rearrangement of the Tennessee field in discontinuing offices previously maintained at Chattanooga and Memphis, centering all activities at Nashville. Mr. Woodcock is an experienced field man, a native of Tennessee, obtaining his early insurance experience with the Tennessee Inspection Bureau for eight years, subsequently serving the Home as special agent for four years, state agent of the Mercantile and Pennsylvania for six years, and the past six years devoting his energies to the life insurance field.

PERSONALS

Joseph S. Raine, secretary of the Southeastern Underwriters Association, is bereaved by the death of his daughter, Mrs. Marion Watson, at Atlanta.

H. G. Karow of Madison, Wis., state agent of the Automobile of Hartford, who has been in poor health for some time, shows no signs of improvement.

E. N. O'Beirne of Atlanta, southern manager for the Automobile of Hartford, who was scheduled to give an address before the Mississippi Association of Insurance Agents at its annual meeting this week, was unable to be present. Mr. O'Beirne has been confined to the hospital and his home for the last eight weeks. He is not able yet to go to his office.

Traveling 43,000 miles to obtain his education in law, **A. G. Mauk**, member of the local agency of Delany & Mauk, Tabor, Ia., has received his LL.B. degree from the University of Omaha and has passed the Iowa state bar examination.

After graduating from Tabor college several years ago, Mr. Mauk entered the insurance and real estate business. Finding that a knowledge of law would be valuable to him, he enrolled in the night school at the University of Omaha three years ago. Five times each week for 36 weeks each year he made the trip between Tabor and Omaha, approximately 80 miles by automobile, to attend classes. In the meantime he continued his business, supporting his wife and two children.

Mississippi Agents Hold Convention

Watson of Lexington Elected President Succeeding Palmer of Gulfport

PASS MANY RESOLUTIONS

New Officers Called on to Unravel Tax Snarl—Commissioner Riley Is on Program

NEW OFFICERS ELECTED

President—H. W. Watson, Lexington. Vice-president—Julius Harris, Hazlehurst. Secretary-treasurer—R. W. Roberts, Jackson (reelected).

JACKSON, MISS., June 22.—Resolutions calling upon the incoming administration to unravel the sales tax snarl in the state on fire insurance premiums featured the one-day annual convention of the Mississippi Association of Insurance Agents here.

The question on the state sales tax passed by the recent legislature is whether or not the tax can be passed to the ultimate consumer. The governor, the tax commission and other state executives including the insurance commissioner are in doubt and there is a possibility of a friendly suit to test the placing of the burden of the tax.

Watson Succeeds Palmer

President Watson was advanced from vice-president to succeed Owen T. Palmer, Gulfport, who completed two terms with high success.

New directors elected are: W. H. Hoover, Jackson; R. A. Griffith, Amory; Jess Adams and Richard Miller, Hazlehurst. Plans for a mid-winter meeting in January were approved, the place to be selected later.

The convention opened with George Riley, insurance commissioner, as principal speaker. He commended the work of state fire marshals and the Mississippi arson law. He reported success in obtaining convictions in cases where so-called benevolent associations had collected \$250,000 in the state representing premiums on fraudulent fire policies. He lamented the handicap of the insurance department because of lack of funds from the legislature.

Others on the Program

Among the speakers were: Matt Smith of Baton Rouge, Louisiana national councillor; Frank Grover, Dallas, Tex., secretary of the American Fire companies, who warned against over-insurance; L. T. Wheeler, manager Mississippi State Rating Bureau; J. E. Massinger, New Orleans; Capt. E. L. Kidd, Louisiana Insurance Society, and William Rodriguez, past president Louisiana Insurance Society. J. S. Williams 3rd of Yazoo City, Mississippi national councillor, spoke on closer cooperation.

State Senator John Culkins of the insurance committee was the principal speaker at the dinner-dance closing the convention. Gulfport invited the 1933 convention. Action remains with the new officers.

Many Resolutions Adopted

Resolutions adopted authorized the incoming administration to take immediate steps to get a ruling on the Mississippi sales tax law as it applies to fire premiums; deplored the planting of an unnamed bank agency by an unnamed company; opposed any reduction

Countermands Order for Statement as of June 30

Commissioner Walsh of Maryland has countermanded telegrams, which he sent out directing companies to furnish semi-annual statements in his state giving actual market prices of securities as of June 30, 1932. The countermanding order was sent by telegram.

The order for June 30 figures, it turns out, was mailed by a subordinate in the Maryland department in the absence of Commissioner Walsh and without his knowledge. When the order was received, the Maryland department was besieged with telegrams and telephone calls from company executives. Mr. Walsh found what had happened and immediately directed the sending of telegrams countermanding the order.

in agents' commissions; commended fire companies for formation of the Insurance Executives Association and appointing a committee with which local agents could deal through conference; expressed appreciation to Commissioner George D. Riley of Mississippi and the National Board for their cooperative efforts in applying Mississippi's new arson law; expressed appreciation to those delivering addresses, and thanks to the outgoing administration and to Jackson local agents for their hospitality.

Palmer's Address Businesslike

The presidential address of Owen T. Palmer of Gulfport before the Mississippi agents was businesslike. He commented on a number of topics in brief and direct style.

Mr. Palmer said that the tendency has been during the past year for companies to reduce the number of agents in Mississippi and there had been a wholesale withdrawal of companies between Dec. 1 and March 31. This caused a further decrease in the number of persons entering the business. Withdrawal of companies is not surprising, he said, in view of small volume of many carriers and the high loss ratio. He said that the problem was aggravated by the appointment of a large number of part time agents between 1926 and 1930.

Increase in automobile rates has made mutual and reciprocal competition more acute, according to Mr. Palmer, but he said that if the cooperatives experience the same results as stock companies, the situation will cure itself.

National Surety Questioned

Mr. Palmer said that the officers of the Mississippi association had investigated the manner in which the National Surety has written sheriffs' bonds. Mr. Palmer said he is passing to his successor a complete file on the subject. Complaint has been filed with the National Association of Insurance Agents protesting the manner in which the bonds were handled and the alleged refusal of the National Surety to recognize the local agents in the payment of commissions.

Enactment of the model arson law at the last session of the legislature should have a wholesome effect, according to Mr. Palmer. He urged the incoming officers to lobby in behalf of a law requiring the posting of a bond by all companies whose capital and surplus do not exceed a certain amount.

Mr. Palmer recommended that the incoming officers introduce a qualification bill at the next session of the legislature.

Mr. Palmer expressed hope that eventually the Cotton association account will be restored to the local agents in states where the cotton originates.

(CONTINUED ON PAGE 38)

New Sources of Income

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Nearly all of the established agents of every company are writing less business than formerly, for the very good reason that there is less business to be obtained. It follows, then, that a company which is depending only on its old agency force is making a very much poorer showing this year than it did last, even if its old agents are doing their level best.

The only real answer to this is that such a company must appoint some new agents, and in that way open up new sources of income. In fact, a company that is not making a serious and intelligent effort to appoint new producing agents is not even handling its current affairs capably, to say nothing of not building for the future.

It must be clear to you and to everyone that new producing agents are the crying need of all of the companies whose premium receipts are below those of last year. But with conditions as they are, is it possible to appoint new agents?

In order to arrive at the real answer to that question imagine yourself, for a moment, to be a prospective agent. As such, you are somewhat in doubt about all companies. Would you arrange to represent a company that you had never heard of, whose name you never see, which never advertises, which, in other words, has failed entirely to establish itself favorably in your mind? The answer is obvious—you would not.

But this does not mean that it is impossible to appoint new agents. It does mean, though, that they will be appointed in much larger numbers and with greater ease by the advertised companies. The non-advertising company is impeding its own expansion and progress by failing to advertise in these times when a good reputation is so essential to the making of agency appointments.

If you think that it is just as hard for the special agent of a well advertised company to make new agency appointments as it is for the special agent of an unadvertised company to do so, ask your own special agent what he thinks. Or, better still, ask the special agent of a company that advertises regularly in *The National Underwriter* how he would like the job of appointing agents for a non-advertising company. Yours, for instance.

(Number 21 of a series devoted to the merits of *National Underwriter* advertising)

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The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

Full Classification of All Property on Farm Requested

SNAPP BEFORE KENTUCKY MEN

Aetna Farm Superintendent Says Rates Based on Spread on All Insurance Items

Satisfactory results in the farm business can be obtained by agents in good territory familiar with farm life and having the sales ability to secure full and proper classification of all property on the farm, including buildings and personal property in proper proportion. This was the conclusion of Fred C. Snapp, farm manager for the Aetna Fire in Chicago, in his address before the Kentucky Association of Insurance Agents at Louisville.

The present farm rates are adequate, he said, only when a general uniform amount of coverage or spread of liability is secured on all insurance items on the farm. The agent who sells farm coverage on dwellings, household goods and barns for fire only will sooner or later prove unprofitable, according to Mr. Snapp. Companies continue to accept limited business, however, from agents who produce a satisfactory volume of profitable commercial business. This is one of the most difficult problems, he said.

Cheerful Factor Seen

Mr. Snapp expressed the belief that companies can expect a more satisfactory experience from the farm business now that many unemployed city dwellers are returning to the soil. The utility value of farm property is thus being increased, he pointed out. However, he warned against abandoning the rigorous program of adjusting insurance to value.

Agents today, according to Mr. Snapp, should develop some sort of ready scale to enable intelligent valuation of a building. Most companies, he said, have developed certain scales of value and could make a reasonably accurate estimate if proper information is furnished. Most companies require a detailed completion of the questionnaire.

Too many agents, according to Mr. Snapp, feel obliged to accept every risk offered. They feel they are public servants compelled to secure protection for every applicant. This attitude necessitates the companies' inspecting much of the business written.

Being salesmen, agents usually make the inspection after the canvass and consequently the inspection is of little value. Mr. Snapp suggested that the inspection be made and serve to open the sales talk. If the proper inspection is made first and the agent has acquired accurate information, there is little difficulty in holding the business.

Mr. Snapp said that for three years about twice as many dwelling houses as barns have burned; that the loss ratio on dwellings for the past five years of Farm Underwriters Association companies has been 90 percent; that sparks on wood shingle roofs cause about 25 percent of dwelling losses and that defective flues and heating arrangements cause another 25 percent, and that overinsurance is causing about 20 percent of all dwelling losses.

Agent Must Join Bonus Army to Get Premium

An agent in downstate Illinois has just informed one of his companies that an assured, about whose account the company inquired, proposes to pay a \$500 premium when, as and if the soldiers' bonus is paid.

Heads Committee



GEORGE C. LONG, JR., Hartford, Conn.

George C. Long, Jr., vice-president of the Phoenix of Hartford group, has been elected chairman of the executive committee of the National Board. The executive committee met in New York last week and made the selection. Mr. Long is active in a number of organizations.

Farm Commissions Subject of Chicago Conferences

One of the events of insurance week was a conference on farm commissions, which are scheduled to be reduced 5 percent in the west beginning Jan. 1 next year. There was a caucus Wednesday of the western conference committee of the National Association of Insurance Agents of which George W. Carter of Detroit is chairman. On Thursday a conference was to be held between the western conference committee of the agents association and a sub-committee on farm commissions of the governing committee of the Western Underwriters Association. W. N. Achernbach, western manager for the Aetna Fire and president of the Farm Underwriters Association, is chairman of that committee. Other members are E. A. Henne, vice-president and western manager America Fore; Robt E. Bird, western manager American of Newark; C. R. Tuttle, western manager North America.

Many Subjects Up

William A. Reisert of Louisville, national councillor of the Kentucky Association of Insurance Agents, mentioned in his address before the annual meeting of that organization, the gathering of the western conference committee being held in Chicago this week. Among the subjects on the agenda, he listed: reduction in commissions, adjustment of use and occupancy losses, adjustment of automobile theft and collision losses, the charge for hail insurance and for vacancy permit, the question of refining the policy coverage instead of reducing rates, advertising and agents' contracts.

Submits D. of C. Code

Superintendent Davis of the District of Columbia has submitted to Senator Capper of Kansas a revised draft of a proposed insurance code for the district for introduction in the senate. Senator Capper is chairman of the senate's District of Columbia committee. The bill was drafted by a committee under the chairmanship of Thomas F. Cameron, assistant corporation counsel of the district.

"Hot" Town Plan Is Favored by Field Men of Kentucky

R. B. TRIGG CITES NECESSITY

Special Treatment System for Bad Localities, as Practiced in Missouri, Oklahoma, May Be Followed

LOUISVILLE, June 22.—The Kentucky Fire Underwriters Association in mid-summer meeting in Louisville, expressed much interest in the program in Missouri and Oklahoma for reducing fire loss and concentrating attention on so-called "hot towns." Field men in Kentucky have been concerned over the loss situation in certain parts of the state. A number of companies have withdrawn and are refusing to write any business in certain cities.

R. B. Trigg, president of the association, read a paper regarding the situation, containing a report of the program adopted in Oklahoma, where under this plan field men work with agents and business leaders in troublesome cities, companies not writing more than 75 percent of the sound value of properties in such towns. Agents are required to fill out exhaustive questionnaires and inspections are required in towns under special treatment.

The proposal was placed in hands of a committee, which will report back at the next meeting.

Loss Ratio 66 Percent

Mr. Trigg said that the estimated loss ratio in Kentucky for 1931 was 66 percent, premiums being \$8,690,000 and losses paid \$5,735,000. Companies cannot stand this heavy drain, he said.

Mr. Trigg declared that the Kentucky Inspection Bureau has discussed with State Auditor Talbott proposed changes in filing, which are being prepared and which, it is expected, will be put into effect before the end of this month.

Mr. Trigg said that important changes contemplated in the book of rules include withdrawal of credit for coinsurance in 9th and 10th class towns except on fire resistive and incombustible buildings and contents and of extensive application of the three-quarter value clause to cover contents of buildings in 9th and 10th class towns, in unprotected localities within protected towns and outside the corporate limits of protected towns. Exceptions will include sprinklered risks, public buildings, coal mines, traction properties, risks of fire resistive construction and a few others.

Only on Contents

Mr. Trigg expressed regret that the Kentucky laws prohibited attaching the three-quarter value clause to building policies, but he declared that a plan has been formulated which should help toward correcting that condition.

The present blanket permit for other insurance will, according to Mr. Trigg, be nullified by the following mandatory clause: "It is the condition of this insurance that the permit in the policy form attached to this policy, granting permission for other insurance, is hereby abrogated and in lieu thereof permission is hereby given for other insurance, but the total amount of insurance permitted, including this policy, shall in no case be in excess of the following stipulated amounts, anything in the policy or policy form to the contrary notwithstanding."

This permit, he pointed out, must be attached to all fire policies covering on buildings in 9th and 10th class towns, in unprotected localities within protected towns and outside the corporate limits of protected towns.

The insurance department, according to Mr. Trigg, favors having this restricted permit for other insurance used in protected towns which have had a bad record.

The vacancy and unoccupancy permit will be changed so as to provide that

Graybeards from Kentucky Get Kind Words, Silver Cups

The Kentucky Fire Underwriters Association honored its so called "Old Guard," or members with 25 years or more of field service, with a banquet in Louisville. Members of the Kentucky Association of Insurance Agents were also on hand.

The honored 13 were O. E. Green, Providence Washington; S. B. Kennedy, Westchester; Verner Kline, Niagara; A. I. MacPherson, St. Paul F. & M.; Lafon Riker, recently retired from the American; J. M. Rogers, Springfield F. & M.; M. B. Russell, recently retired from the Fireman's Fund; E. F. Scott, Great American; J. L. Smith, London & Lancashire; Frank G. Snyder, formerly with L. & L. & G., now head of Snyder Brothers General Agency, Louisville; W. P. Swope, American Eagle; John P. Young, New York Underwriters, and H. Lee Upton, retired from Home of New York. All except Mr. Riker were present.

J. V. Bowman, Fire Association, was toastmaster.

Presentations by Robertson

H. W. Robertson, state agent for Hanover, with silver tongued oratory, presented silver cups to each of the "Old Guard." Also Mr. Russell was presented with a watch chain, and a rod and reel will be sent to Mr. Riker.

Members of the "Old Guard" were introduced, some of them responding with reminiscences.

Mr. Bowman also introduced J. Dan Talbott, Kentucky state auditor; Len F. Shaw, retiring president of the Kentucky Association of Insurance Agents; Leo E. Thieman, secretary of the Kentucky association and Louisville board; W. B. Calhoun, president National Association of Insurance Agents; R. B. Trigg, president Kentucky Fire Underwriters Association; Charles R. Street, vice-president Great American; I. N. Clark, New York Underwriters; S. K. Gray, Yorkshire; L. R. Hanawalt, assistant manager National Hartford; E. A. Henne, vice-president America Fore; W. L. Leonard, agency superintendent Fireman's Fund; Acting Commissioner Brown, and Actuary Tate of the Kentucky department.

A letter was read from Clem E. Wheeler, associate general agent Hartford Fire, regretting his inability to be present.

Cad P. Thurman, Continental, was general chairman of committees arranging the affair.

One-fourth of the amount of each policy is suspended during vacancy whenever the period of vacancy extends beyond 60 days. This will apply to dwellings, regardless of where located, and on mercantile and manufacturing risks of other than fire resistive constructions in 9th and 10th class towns.

Commissioners Luncheon Guests of Chicago Men

Commissioners and many executives were guests at a buffet luncheon Wednesday of four Chicago insurance organizations. About 150 were on hand. The organizations which were hosts were the Chicago Board, Chicago Insurance Agents Association, Casualty Club of Chicago and Surety Association of Chicago.

An invitation had been sent to Commissioner Livingston of Michigan, who is president of the National Convention of Insurance Commissioners, and he made the announcement of the luncheon at the Wednesday morning session of the commissioners.



Union Assurance Society, Limited



The Palestine Insurance Company, Limited



The Commercial Union Fire Insurance Company



The California Insurance Company



Columbia Casualty Company



The British General Insurance Company Limited



American Central Insurance Company



Commercial Union Assurance Company Limited



The Ocean Accident and Guarantee Corporation, Limited

GROUP STRENGTH

INTERNATIONAL COMPANIES

WORLD-WIDE OPERATION

AND LOSS SETTLEMENT

FACILITIES

THE "Commercial Union Group" constitutes one of the largest and strongest insurance organizations in the world. Its activities extend to all parts of the world and embrace practically every known form of insurance.

Since their inception these individual companies have withstood the shocks of conflagrations and commercial recessions. Their far-flung operations in every phase of human activities offer greater financial protection to policyholders. These operations also make available to policyholders unsurpassed and world-wide loss settlement facilities.

These companies have steadfastly maintained a business policy based upon the knowledge that the purpose of an insurance company is to provide safe indemnity to its policyholders and security to the business interests of its agents and brokers.

All the companies of the "Group" take great pride in their business progress but even greater pride in the high character of their agency and brokerage representation which has been the bulwark of their success. A well-balanced agency will include one of these Fire and Casualty Companies.

Let the "Commercial Union Group" be your anchor of safety.

The Ocean Accident and Guarantee Corp., Ltd.

Established 1871

Statement as of January 1, 1932

Rendered New York Insurance Department

Assets	\$15,549,244.48
Liabilities	12,984,892.24
Surplus to Policyholders on Basis of Market Values, December 31st, 1931	2,564,332.24
Surplus on Basis of Ins. Comrs. Convention Values	5,183,546.50
Losses Paid to Date	117,323,002.00

COMMERCIAL UNION GROUP

ONE PARK AVENUE
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ATLANTA

SAN FRANCISCO

A GOOD AGENCY COMPANY



Mixed Agencies Big Topic Before Wisconsin Field Men

MEETING AT LAKE DELAVAN

Decide to Keep File of Undesirable Agencies—Local and General Agency Separation Reviewed

NEW OFFICERS ELECTED

President—Ernest O. Spink, London Assurance.
Vice-president—W. S. Audiss, State of Pennsylvania.
Secretary—E. S. Willman, Commercial Union.
Executive Committee—C. H. Dachenbach, United States Fire; C. L. Davis, Royal; A. G. Meredith, Fire Associations; A. H. Ely, North America.

By H. J. BURRIDGE

DELAVAN, WIS., June 22.—Mixed agencies and the importance of clearing them were emphasized by Arthur H. Ely, North America, in his annual report as president of the Wisconsin Fire Underwriters Association, which held its annual meeting here this week. Mr. Ely said that in June 1931, there were 300 mixed agencies in Wisconsin. By January of this year the number had increased to 411. There are now 223, a decline of 188 since January.

Mr. Ely said that company officials regard Wisconsin as one of the worst states in the middle west from the standpoint of the number of mixed agencies, but added that most of the remaining mixed agencies represent only two or three companies. He remarked that there are also too many 15 percent agencies in Wisconsin, saying that there is obviously something wrong when so many agents are willing to retain their mixed status at 15 percent when they could by clearing get on a 20, 25 and 30 percent commission basis.

Keep File of Undesirables

Mr. Ely said that present day difficulties have brought a closer unity between companies and agents and predicted that the recently formed Insurance Executives Association would result in a closer unity among companies.

At the suggestion of Roy L. Nicholson, Michigan Fire & Marine, it was decided to maintain a file in the association's office in Milwaukee containing the names of undesirable agents. Mr. Nicholson said a number of agents have gone bad financially, at considerable loss to some companies, and yet they have succeeded in getting the representation of other companies, which evidently are not familiar with their past records. The maintenance of a record of such agents will prevent financial losses to companies and keep the undesirable and incompetent agents out of the business.

In his report as secretary-treasurer, E. L. Sternberg, National Liberty, showed the association to be in good financial shape, with a membership of 116. At the quarterly meetings during the year there was an average attendance of 55. Charles F. Smutner, marine special agent of the North America, was elected to membership.

Local-General Agency Separation

J. R. Wilbur, formerly western manager America Fore, and now engaged in special work for the Western Underwriters Association, was present and spoke, although he explained that he did not represent the governing committee or Western Underwriters Association officially at this meeting. He told of the work that had been done in separating general agencies having a financial interest in local agencies and where local agencies have had an interest in an adjusting organization. He said that in such cases there has to be both a physical and financial divorce and that there are frequently many factors and difficulties to be met, but added that such situations are being rapidly cleared up throughout the middle west.

E. O. Spink, London Assurance, was

"Miss Insurance" As Official Hostess

PHILADELPHIA, June 22.—The big convention of the National Association of Insurance Agents to be held here Sept. 19-23 will have an official hostess. The convention committee met this week and decided to elect the hostess in a nation-wide beauty contest. Every local and state association will select one semi-finalist. The girl chosen by each body must be employed in an agency or home office. Photographs of various winners will be sent to the convention committee and it will in turn appoint judges to select from photographs, the one to be known as "Miss Insurance" and who will be known as the official hostess. "Miss Insurance" will be given either an engraved wrist watch or silver loving cup and in addition all her expenses will be paid. The committee states that in addition to beauty, the winner must also combine tact and intelligence.

The convention committee announces that "Miss Insurance" will have a chaperon appointed and her expenses will be paid by the committee as well as those of "Miss Insurance."

General Agents' Association Committees Are Appointed

ATLANTA, GA., June 22.—President Langdon C. Quin of the American Association of Insurance General Agents has announced the appointment of the following committees:

Executive—Louis E. English, chairman, Richmond, Va.; Joshua K. Shepherd, Little Rock; Herbert Cobb Stebbins, Denver; J. G. Leigh, Little Rock.
Conference—Joshua K. Shepherd, chairman; Rorick Cravens, San Francisco; J. K. Morrison, Omaha.

General Welfare—John J. Seibels, chairman, Columbia, S. C.; A. Kenison, Galveston, Tex.; George E. Edmondson, Tampa, Fla.

Membership—Thomas L. Lauve, chairman, Dallas, Tex.; W. G. Overton, Jr., Birmingham, Ala.; B. P. Carter, Richmond, Va.

Publicity—J. G. Leigh, chairman; A. H. Turner, Atlanta; Robert W. Snyder, Louisville.

chairman of the entertainment committee which arranged for the golf tournament and ladies bridge party Tuesday afternoon. There was a dinner dance and entertainment Tuesday evening. B. F. Lutz, London & Lancashire, was in charge of the ball game Wednesday afternoon.

New officers were elected at the Wednesday morning session. Last June, just after his election as president, Walter B. Erfert of Crum & Forster group died suddenly. Mr. Ely was elected vice-president at that meeting, but because of Mr. Erfert's death has served nearly a full year as president.

The Wisconsin association, although returning to Delavan Lake this year, did not go to the Highland Hotel, scene of so many of its previous meetings and headquarters of the Illinois Fire Underwriters Association meeting to be held on Thursday and Friday of this week. Instead its gathering was held at the Lake Lawn Hotel, which has until this year been used exclusively by the members of the various Insull organizations as their private vacation spot.

Following a discussion of a new agency balance rule, it was decided to have the incoming executive committee draw up such a rule, the plan being to withhold information from members who fail to cooperate.

Continued excessive losses in Brookhaven, Miss., impelled a number of companies to withdraw from the community, with others reported as likely to follow suit.

Bond Amortization Measure Becomes Law in New Jersey

NATIONAL ADOPTION SOUGHT

Fire and Casualty Carriers Now Valuing Holdings on Same Basis as Life Companies

NEWARK, June 22.—Fire and casualty companies doing business in New Jersey now have the same powers in connection with valuing their security holdings as held by life companies. The new measure passed the New Jersey legislature at its closing sessions and has been signed by Governor Moore. It is regarded as one of the most important pieces of legislation affecting insurance companies passed in New Jersey in many years.

Bonds now owned by the fire and casualty companies, where amply secured and are not in default, can be carried on the books of the company at par or close to par.

Default Bonds at Market Values

Bonds, however, which are in default must be carried at market values. Under the present conditions, amortization values work to the advantage of the insurance companies, but when bond prices are high there must be charge-offs each year in the amortization procedure.

In the years that bond prices are soaring the values in the companies' reports to the New Jersey insurance department will not be as high as the market values, but the insurance department of the state and the insurance company officials are more interested in the present conditions than they are in the future and it was for this reason that the passage of the bill was urged.

Now that the law has been changed in New Jersey, it is the purpose of the officials of the New Jersey department to bring up the question at the commissioners' meeting in Chicago this week and ask that similar action be taken by other states. New Jersey values will apply only in the state.

Pennsylvania and New York have similar laws which permit amortization of values by insurance companies, but the New Jersey department will attempt to make it a national movement.

Amortized values will make a big difference to many insurance companies in New Jersey. For instance, in the case of the Firemen's of Newark, it is alleged that amortized values of the company's bonds will probably be \$13,000,000 in excess of the present market values.

Mergers in Groups Cause Agency Limitation Issues

Merger of companies within groups is necessitating adjustments in cities in which local board rules limit the number of representatives which a company may have. Where mergers of this kind take place, underwriters' annexes are usually created to provide facilities for agents representing companies merged out of existence. However, most local boards do not allow extra representation for these annexes.

In some towns the limitation is so liberal that few groups have been able to find homes for all of their companies up to the full limit, but in other cities the limitations are more severe. The issue has not become critical yet, but observers predict many more consolidations within groups and if this process is carried out extensively, situations in connection with agency limitation rules are sure to develop.

The National Liberty has extended its operations to British Columbia and has appointed the Canadian Financiers Trust Company of Vancouver as general agent for the province.

Cook County Premiums Given for Last Year

The Cook county premiums covering fire, tornado and sprinkler leakage as reported to the Chicago Board amounted last year to \$20,537,963. The premiums in previous years were as follows: In 1930, \$24,864,142; in 1929, \$28,569,384; in 1928, \$29,148,692; in 1927, \$29,622,904. Figures of some of the larger groups are: Home, \$1,130,920; Hartford Fire, \$784,198; North America, \$910,207; Commercial Union, \$402,825; America Fore, \$910,920; Firemen's, \$853,306; Great American, \$522,831; National of Hartford, \$582,625; London & Lancashire, \$610,139; North British, \$582,742; Phoenix of Hartford, \$571,035; Royal, \$526,762; Crum & Forster, \$609,957; Aetna, \$553,079; L. & L. & G., \$531,107. The companies reporting over \$100,000 in premiums last year are as follows:

Aetna	\$494,282
American	319,167
Atlas	148,667
Automobile	210,482
Standard Ct.	139,041
Boston	100,731
Caledonian	131,277
Commercial Un. Eng.	204,183
American Central	120,248
Continental	268,814
Fidelity Phenix	299,862
Niagara	184,689
Dubuque F. & M.	230,571
National Reserve	130,033
Eagle Star	109,853
Fire Association	202,020
Reliance	117,302
Firemen's Fund	329,584
Firemens	173,551
Girard	228,363
Milwaukee Mechanics	272,691
Glens Falls	313,153
Globe & Rutgers	244,800
Great American	226,881
Hanover	151,625
Hartford	570,956
N. Y. Underwriters	145,701
Home N. Y.	646,445
National Liberty	228,121
Ins. Co. of North Am.	557,144
Philadelphia F. & M.	137,145
Alliance Pa.	133,823
London Assur.	162,150
London & Lancashire	225,639
Law Union	110,254
Orient	211,276
Merchants N. Y.	279,799
National Ct.	382,343
National Union	123,102
New Hampshire	101,748
N. Br. & Mercantile	168,423
Commonwealth	109,514
Mercantile	103,349
Pennsylvania	182,756
Northern Assur.	184,485
Norwich Union	110,134
Phoenix Eng.	190,533
United Firemens	151,162
Phoenix Ct.	191,417
Connecticut	228,555
Providence Wash.	133,964
Royal	339,028
Queen	122,846
Federal Union	137,528
Liverpool & London & G.	317,530
St. Paul F. & M.	203,705
Scottish Un. & Natl.	168,206
Security, Conn.	154,153
Springfield	455,257
Standard N. Y.	173,945
Sun	161,216
United States	161,556
Westchester	137,287
Fidelity & Guar.	128,206
State Pa.	106,613
Northern N. Y.	116,320
N. W. Nat'l.	330,616
Pioneer Fire	117,024
Travelers	179,584

Supervisory Committee Meeting

A meeting of the Rocky Mountain supervisory committee of the Western Underwriters Association and Pacific Board was held in Chicago this week. Coming from San Francisco was A. T. Bailey, manager North British & Mercantile, and Vice-President E. T. Cairns, Fireman's Fund. Representing the W. U. A. were W. N. Achenbach, Aetna, who is chairman of the supervisory committee; W. D. Williams, Security; E. A. Henne, America Fore, and W. B. Flickinger, North America.

South Dakota Field Men Elect

HURON, S. D., June 22.—Officers elected by the South Dakota Fire Underwriters Association at its annual meeting are: President, Walter Mashek; vice-president, Carl V. Gibbs; secretary, W. W. Boardman, all reelected.

The South Dakota Fire Prevention

Association elected these officers: President, Carl V. Gibbs; vice-president, Harry Whitchurch; secretary, Cal Dalby.

Mutual Agents Meeting

The National Association of Mutual Insurance Agents will hold its annual convention at Virginia Beach, July 14-15. E. I. Bakes, 1301 Eighth street, Washington, D. C., is secretary.

The Perry Insurance Claims Service has opened a branch at Houston, Tex., to be in charge of E. J. Davies in the Esperson building. Mr. Davies was formerly with the Associated Indemnity.

Hanson Chosen Minnesota Fire Underwriters Head

Robert L. Hanson, Liverpool & London & Globe, was elected president of the Minnesota Fire Underwriters Association, at the annual meeting Monday. G. W. Wilk, America Fore, was elected vice-president, and A. E. Schroeder, Crum & Forster, secretary-treasurer.

On the executive committee three new members were placed: G. F. Duerr, Providence Washington; A. E. Schierholtz, Hartford, and W. W. Belford,

Rhode Island. The two holdover members of the committee are V. B. Hill, Globe & Rutgers, and H. B. Lucky, Aetna.

A number of Chicago executives addressed the meeting, including W. J. Tipper, Aetna; W. E. Robertson, Alliance; Jacob Nelson, America Fore, and H. W. Chesley, assistant secretary Eastern Underwriters Association.

South Carolina to Cut Capital

Stockholders of the South Carolina of Columbia, will consider reducing its capital from \$250,000 to \$200,000 and transferring \$50,000 to surplus.

DON'T LET 2 CENTS STAND BETWEEN YOU AND SUCCESS

● Some agents are satisfied with their progress. Others are not. Some drift with the tide of depression. Others fight. Some turn their backs on new ideas. Others are searching for new ways of making more money. ● Only the latter group will be interested in what we have to say. ● A request will bring the book "Making More Money." This book contains the basic plan for successful insurance selling. Our records show that this plan helps agents make more money. One agency said, "We have gone over every phase of your proposition carefully and agree that the excellence of your judgment in prescribing for local conditions is almost uncanny." And another, "This is the finest work we have ever seen along this line and we know that it will help materially in building up our agency." ● If we can help others we can help you. Fill in the request coupon. Mail it to us. Don't let a two cent stamp stand between you and success.

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NEWS OF THE COMPANIES

Will Increase Its Surplus

Eureka Security F. & M. Stockholders Pay in \$500,000 to Strengthen Its Financial Position

The stockholders of the Eureka Security Fire & Marine of Cincinnati have contributed \$500,000 to surplus. This action was taken rather than reduce capital. The Eureka Security capital is closely held, the majority being owned by the Pure Oil Company interests and hence it was not difficult to levy an assessment to secure money for larger surplus. The Eureka Security as of Jan. 1 showed \$1,000,000 capital, \$3,447,197 assets, \$1,596,536 premium reserve and \$467,297 net surplus. B. G. Dawes, Jr., is the president.

Commercial Union Figures

The annual home office report of the Commercial Union shows that the fire premiums last year were £6,316,215; decrease, £458,101. The claims were £3,447,971. The fire fund now amounts to £7,098,891. The marine premiums were £733,757; increase, £48,829; claims, £329,151. The marine fund is £1,246,949. The accident department premiums amounted to £7,845,906; decrease, £812,851. The claims were £4,979,823. The accident fund is now £5,578,011. The life fund is now £19,266,715.

The total resources of the Commercial Union are £60,592,333, which includes, in addition to the £32,420,030 fire, accident and marine funds, the £19,454,684 life department fund and the life funds of the West of England, Hand in Hand, Union Life, Liverpool Victoria, Edinborough Life and British General Life.

Dividends Are Reduced

The Fidelity-Phenix and Continental have each declared semi-annual dividends of 60 cents a share. Heretofore the Continental has been paying \$1.20 semi-annually and the Fidelity-Phenix \$1.30. Par value of the shares of each company were recently reduced from \$10 to \$2.50.

Two Old-Time Directors Dead

Two of the veteran directors of the Glen Cove Mutual of Glen Cove, N. Y., died within two days of one another.

W. T. James of Flushing, L. I., died at the age of 82. He was elected a director of the Glen Cove in 1882 and served continuously until his death.

W. W. Cocks of Old Westbury, L. I., died at the age of 71, he having been a director of the Glen Cove since 1918. He was a former congressman and later in life was a member of the state board of farms and markets.

C. D. James Is Made Director

Charles D. James has been elected a director of the Northwestern National of Milwaukee to fill the unexpired term of the late W. D. Van Dyke, who was also president of the Northwestern Mutual Life. Mr. James is the son of Alfred James, president of the Northwestern National, and is in the underwriting department of the company.

New Hampshire's Statement

The New Hampshire Fire has gotten out a statement using May 1 market values for stocks and bonds. Total assets are reported at \$14,104,537; premium reserve, \$4,906,351; loss reserve, \$572,124; capital, \$3,000,000; net surplus, \$5,375,577.

Would Dissolve Minnesota Fire

The petition of the Minnesota Fire for dissolution of its corporate existence was presented to Judge Hall in the district court at Minneapolis. A. H. Whitteman of New York, secretary, testified that the company ceased writing policies Oct. 31, 1931, and had been taken over by the First National of Seattle. Provision had been made for taking care of all unexpired policies, he said.

Reduction Is Ratified

Stockholders of the American of Newark have ratified the proposal to reduce outstanding capital stock to \$3,343,740, transferring a like amount to surplus. The par value of each share is reduced from \$5 to \$2.50.

Miscellaneous Company Notes

The Knickerbocker of New York has been licensed in Ohio.

The Iowa National has notified its agents that it is withdrawing from Texas.

The Associated Fire & Marine of San Francisco has applied for entry to Virginia and will write automobile business only.

order, but the reciprocals protested, claiming that they were not subject to the section in question. The reciprocals filed a memorandum of their position, but Superintendent Van Schaick finally holds against them.

Among the arguments of the reciprocals was that individual insurers as distinguished from rating organizations are without the purview of section 141. Mr. Van Schaick states that the contentions of the associations when projected against the legislative background of the rating laws are not convincing.

MISS STURM VASSAR GRADUATE

Miss Rose F. Sturm, daughter of Ernest Sturm, chairman of the board of the America Fore companies, was graduated with honors from Vassar College June 13, receiving the B. A. degree. Recently she was made a member of Phi Beta Kappa.

NEW YORK BLUE GOOSE MEETING

The New York City Blue Goose will hold its annual meeting at the Down Town Club, Newark, June 27. A particular drive to secure new members and to induce accessions to the number carrying life insurance under the group policy of the Lincoln National Life is being made and with satisfactory results thus far.

LATIN-AMERICAN CHANGES

Lee G. Camp has been appointed manager of the Cuban office for Windle, Dargan & Co., New York independent adjusters, succeeding Ernest Korber, manager, and J. L. Oates, assistant.

Mr. Korber and Mr. Oates are being transferred to Panama City. A new branch office will be established in Mexico City by Windle, Dargan & Co.

W. D. GRIER'S RECORD

In June, 1902, the improved risks department of the North British & Mercantile was established, and in the same year W. D. Grier, now secretary and head of the specialized branch, entered the employ of the company as junior engineer. Previously he had been connected with the John C. Paige Agency in Boston, serving as chief engineer at the time he transferred to the North British group. In notifying agents of the associated companies of the joint anniversary and of the uniform success achieved by the specialized service and "of the ability and zeal of its present head," the management thus briefly sketches the underwriting career of Mr. Grier:

"For many years he has been prominently connected with fire protection engineering, giving particular attention to sprinklered risks and special hazard work, manufacturing processes and chemical risks. He has been recognized as a valuable member of the National Fire Protection Association, almost from its organization, serving as chairman of important committees on celluloid, chemical, manufacturing, etc., hazards. He has written numerous articles on these subjects, including a handbook for the Insurance Society of New York courses. He has served as chairman on important committees of the sprinkler leakage and explosion conferences. He is chairman of the rate committee of the latter; acting member of the executive committee of the Factory Insurance Association, and is well known in connection with the work of the Western Factory, the Underwriters Service Association, the old Underwriters Association of the Middle & Southern States, Underwriters Bureau of New England, etc."

UNIFORM INSPECTION MEETING

A meeting is to be held in New York next week by the intersectional committee on uniform inspection reports to settle differences of opinion as to minor details on uniform inspections. The chairman of the intersectional committee is J. C. Milliken, assistant chief engineer of the America Fore organiza-

tion at the head office. There are members of the committee representing the Southeastern Underwriters Association, Eastern Underwriters Association and Western Underwriters Association.

CHANGES IN DEPARTMENT

Changes in the assignment of deputies in the New York department are announced following the resignation of C. P. Butler as second deputy.

S. R. Feller of New York City becomes first deputy. He succeeds T. J. Cullen of Troy, who takes the position of executive assistant, which he formerly held.

J. G. Bill of Brooklyn has been appointed deputy superintendent and assigned to the New York office. For several years he has been one of the chief attorneys for the liquidation bureau of the department.

A. N. Butler, who has been executive assistant during the absence from that position of Mr. Cullen, becomes deputy superintendent assigned to the Albany office.

FIRE LOSSES IN MAY

The fire losses in the United States for May, according to the National Board report, amounted to \$39,270,524. This is an increase of \$1,435,251 over May, 1931, or 3.79 percent. The following table shows a comparative record for the three years:

	1930	1931	1932
Jan.	\$42,344,035	\$44,090,449	\$39,224,783
Feb.	43,206,940	41,776,051	39,824,622
March	42,964,392	44,074,362	49,189,124
April	43,550,996	41,423,764	43,822,233
May	38,415,142	37,835,273	39,270,524
Tot.	\$210,481,505	\$209,199,899	\$211,331,286

The New York "Journal of Commerce" record shows 372 fires in May, which caused damage of \$10,000 or more. The aggregate of these was \$18,806,200. The largest losses for the month were Struthers, O., business block, \$150,000; Waseca, Minn., three stores, \$75,000; Greenville, Tenn., tobacco warehouse, \$100,000; Gulfport, Miss., pier and warehouses, \$300,000; New York City pier, \$2,000,000; Ridgeway, Pa., lumber yard, \$100,000; Culpeper, Va., power and ice plant, \$75,000; New York City apartment, \$100,000; Dunn, N. C., business block, \$200,000; Brookville, Pa., business block, \$75,000; Lac au Faumont, Que., church, \$100,000; Westbrook, Me., paper warehouse, \$100,000; Centralia, Ill., business block, \$400,000; Kingman, Me., business block, \$75,000; Allentown, Pa., amusement park, \$75,000; Roscoe, N. Y., hotel, \$250,000; Billings, Mont., business block, \$100,000; Goshen, N. Y., garage, dwellings, etc., \$150,000; Dallas, Tex., flooring warehouse, \$100,000; Clearwater, Fla., radio studio, \$75,000; Courtland, Ont., dairy plant, \$150,000; Santa Rosa, Cal., cold storage plant and bonded warehouse, \$800,000; Lawrence, Mass., furniture plant, \$75,000; Sharonville, O., paper plant, \$200,000; Pleasantville, N. Y., dwelling, \$250,000; St. Johnsbury, Vt., theatre, \$100,000; Chicago, warehouse, \$200,000; Medusa, N. Y., business block, \$175,000; Beaver, Pa., court house, \$400,000; Louisville, Ky., macaroni plant, \$150,000; Brooklyn, N. Y., warehouses \$75,000; Big Falls, Minn., business block, \$100,000; Washington, Pa., theatre, \$150,000; Monroe, La., school, \$75,000; Pittsburgh, garage, \$150,000; Chicago, business building, \$300,000; Memphis, Tenn., business building, \$75,000; Taku Harbor, Alaska, cannery, \$200,000.

Death of F. E. Stone

SAN FRANCISCO, June 22.—San Francisco's fire district lost another veteran in the death of F. E. Stone, assistant manager of the National of Hartford, funeral services for whom were held in Oakland, Wednesday. Mr. Stone has been an executive in the Pacific coast office of the National since 1907 when he was transferred from the home office. He had devoted his entire business life to the company starting as a boy just out of school in 1884. He was born in Connecticut in 1867.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

MORTGAGE CLAUSE RULING

Superintendent Van Schaick of New York has sent out an order that the issuance of policies in New York state with any other form of first mortgage endorsement except the two clauses which have his approval, must cease. Any policies so issued, he states, must be corrected or canceled immediately. The clauses having his approval are the New York standard mortgage clause for use in connection with first mortgage interest on real estate and New York standard mortgage clause with full contribution for use in connection with first mortgage interest on real estate.

EMPLOYMENT CONSIDERATIONS

F. C. Vogsberger, examiner in the southern department of the Home of New York, makes the point that employment figures must be taken into consideration in underwriting risks in the various industries. "As the list of employees goes down," Mr. Vogsberger states, "so do the indications of financial pressure; operating and sales straits appear and desperation drives many for-

merly acceptable risks into the hazardous class."

Mr. Vogsberger prepared an article on this subject for the "Firescape" of the Retail Credit Company.

BROKERS HAVE HOUSE-WARMING

A considerable number of brokers, company officials and other friends of the New York City brokerage firm of Cornwall & Stevens attended a house-warming party at their new offices in the Wall Tower building Friday afternoon. George Stevens, long head of the firm, retired a short time ago following his appointment as associate United States manager of the Pearl Assurance of London. The quarters at 80 John street, formerly occupied by Cornwall & Stevens, have been leased by the Pearl.

RECIPROCALS MUST FILE

Superintendent Van Schaick has directed reciprocals to file forthwith available rating material according to the provisions of section 141. Some time ago Mr. Van Schaick issued such an

AS SEEN FROM CHICAGO

GRAIN ASSOCIATION MEETING

The annual meeting of the Underwriters Grain Association will be held in Chicago June 28.

MOTOR CLUB CUTS DIVIDENDS

The Inter-Insurance Exchange of the Chicago Motor Club has reduced dividends to policyholders to 14½ percent, according to C. M. Hayes, president and general manager. The club heretofore has never paid less than 20 per cent. Mr. Hayes states that an audit will be made as of July 1 to determine whether the reduction is too great or not enough. At that time there will probably be another readjustment of dividends, to comport with results developed by audit.

TAKE ON LIFE COMPANY

The Fidelity Mutual Life has appointed the Stewart, Keator, Kessberger & Lederer agency of Chicago as manager of a new agency in Chicago.

John J. Healy, who has been connected with Stewart, Keator, Kessberger & Lederer since 1920, is manager of the life department. This agency is the third Fidelity Mutual office to be opened in Chicago. Stewart, Keator, Kessberger & Lederer have not heretofore represented a life company.

RHODE IN NEW FIRM

Grant M. Rhode, manager casualty department of the United States Casualty in Chicago, is retiring from that position to become associated with the J. F. Quinlan Company to form a new agency. It will be known as the Allied Insurance Agency and will have its office at 134 North LaSalle street, Chicago. Mr. Rhode will specialize in the casualty department. He has been connected with the U. S. Casualty office in Chicago for 23 years, more recently being vice-president.

PACT WITH AUTO DEALERS

An understanding has been reached between the Chicago Automobile Trade Association and 135 insurance companies, which is expected to curb the traffic in stolen automobile parts in that city. The insurance companies, so far as possible, will discourage adjusters from placing damaged or stripped cars in so-called "alley" garages and bring influence to refer rehabilitation work to authorized dealers, who are members of the Chicago Automobile Trade Association. Companies do not guarantee to refer all repairs to members of the trade association, reserving the right to patronize independent garages of good standing where it is advantageous from the point of view of cost to do so.

This arrangement is expected to remove the market for stolen automobile parts and equipment. In Chicago irresponsible garages are suspected of buying stolen parts in repairing insured automobiles.

The 135 companies did not sign an agreement but sent a letter signifying approval of the arrangement. The understanding was reached, after a report was brought in by a joint committee representing the Western Loss Association and the Automobile Superintendents Club of Chicago. J. W. Burden, automobile superintendent for the Hartford Fire, was chairman of the joint committee, and J. A. McClelland, loss superintendent for the Great American, was vice-chairman representing the loss association.

The trade association will supply an approved list of service stations, showing a master contact man for each make of automobile, the master contact man usually to be the service manager of the distributor.

In controversies over cost of repairs

and replacements, arbitration is provided for, the participants to be the general manager of the trade association, the master contact man and the insurance company represented.

The dealers are to make estimates in triplicate, the original to be sent to the owner, one to go to the insurance company and one to the adjuster.

The dealers undertake to waive the towing charge if the work amounts to \$75 or more.

The dealers also will attempt, under the agreement, to locate used cars to replace cars totally destroyed, if desired by the insurance companies.

BOARD NOMINATING COMMITTEE

The Chicago Board committee to nominate two candidates for the board of directors to be presented at the quarterly meeting in July consists of Henry C. Brummel, E. R. Hurd, Raymond Kirk, W. E. Rollo and J. K. Walker.

SCHWARTZ IS "ARRESTED"

The fight between the Insurance Brokers Association of Chicago and the city administration over the \$25 license fee required under an old ordinance was resumed this week in a friendly action in which Arthur S. Schwartz, one of the most successful brokers in Chicago and vice-president of the association, submitted to arrest under an old warrant in order that there might be a test case. Hearing was set in municipal court for July 6. Mr. Schwartz will be defended by D. R. Domke, the association's counsel. It is expected the trial will resolve itself into a long argument over definition of a "broker" and his exact status as regards company and public. It is pointed out all Chicago agents occasionally when a risk is declined by their own companies broker it elsewhere, securing acceptance from the applicant in the status of agent and placing the insurance as a broker.

LADD & CO. MOVE OFFICE

Arthur L. Ladd & Co., well known claim adjusters and attorneys for companies in Chicago, have moved to new quarters, A-1761 Insurance Exchange. Mr. Ladd, who heads the organization, is a man well known in the insurance world.

COLLECTION PROBLEM AGGRAVATED

Class 2 agents and companies are further embarrassed in Chicago and Cook county because of the new flurry in bank failures that has taken place during the last week. Saturday and Monday recorded seven failures and the week's toll was a dozen. It had been supposed that the outlying district of Chicago was about through with bank failures but the new crop has come on. The collection situation therefore is aggravated. Three banks failed Tuesday.

Banks Given Reprieve

LITTLE ROCK, ARK., Jan. 22.—A. B. Banks, former head of the Home Life, Home Fire and Home Accident, sentenced to a year in the penitentiary on conviction for assenting to a deposit in the American Exchange Trust Company here when he knew it to be insolvent, was granted a reprieve until Jan. 2, 1933, by Governor Parnell. Mr. Banks and his friends had asked for a full pardon.

Commissioner Herdman Ill

Lee Herdman, insurance commissioner for Nebraska, has been ordered by his physician to a hospital in Omaha, where he will probably remain for a month under observation. Mr. Herdman has been troubled with his heart for several months, and the doctors want to have opportunity to study his case.

Written on the back of a figure which largely spending capacity of New York. First, there is the of assessed valuations, \$90,764. That is decided that would change parcel of New York real to be sold by a willing buyer. A part of \$750—represents property tax. Even so, that is a fabulous sum—\$1. Still, if you had that money to buy New York be doomed to disappoint value would increase therefore you could find all the if ever real-estate agent were in your neighborhood growth of values in a sort that has enabled the city solvent for over a decade. Last year saw a shrinkage of all sorts of commodities including real estate of New York worth \$603,000,000 more than in 1927. The value of a billion dollars since 1927. \$1,542,000,000 in 1927 question. I think there is a producing organization on the creation of that was the effect of the whole which are paid for by taxes. Let me see. The Empire State Building stands at \$13,000,000 and on this land in 1931 was The building itself was not completed until a date so late to give it tax exemption. This year its owners will pay sum into the city's revenues in various forms of protection and other municipal services which building's tenants enjoy. Would building be worth as much as the subways which have been with funds of the city? Would it be worth anything if there were no supply of water, if there were no streets on three sides of it? Obviously it would not be worth the price of the organism into which it has its foundations roots. The great of land values in New York factors, but when you say "you have said it all." The all of its people are responsible tremendous development in real values. The tunnels driven rivers, the bridges, the teachers, health officers, street cleaner, all contribute values.

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the biggest tax paid by

See advertisement appearing June 25, giving a forceful hint to every landlord to "Ask your Alliance Agent."



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Facing the Future With Courage

NOTWITHSTANDING all the punishment that insurance companies have taken during the last two years and a half and regardless of the depreciation in their assets, loss of income and other factors that have been disturbing, insurance has much to be thankful for and is weathering the storm magnificently. We are prone to feel depressed when we come in contact with so much conversation regarding hard times and hear so many disheartening stories about unemployment and the effect of the panic on different people. As a matter of fact, when we are candid about it, we realize that fear has gotten the best of us. We hesitate to take a step for fear we will sink in the mire. We are exceedingly cautious at every turn.

Notwithstanding all these adverse influences there are thousands of people that are taking what comes to them philosophically by putting in longer hours or speeding up, becoming more industrious, drawing on their reserves, developing courage and it is found that the results that they obtain are gratifying.

The true test of a man's character is not how he is affected or what he does when times are good and people in gen-

eral are prosperous but what kind of an account he gives for himself in days of adversity. The man who has worked out for himself a satisfactory philosophy does not lose heart. He assumes a more positive attitude toward life than ever. He realizes that these days teach wonderful lessons. All that is happening today is the result of false reasoning and action in years gone by. Insurance traveled too fast. It became too avaricious. It outreached itself. It got far beyond the normal depth.

The readjustment process may be painful. Experiences are trying and perplexing. Yet after all there is not the slightest cause for despair. Insurance is a tremendously important business. It is the basis of credit. Without it the whole business structure would fall. There will be insurance as long as business and commerce exist. There is the same opportunity for men who are willing to work, who are resourceful, intelligent and have a real vision as in the past. Life holds out rewards and promises that are most alluring. We live in an interesting time, a marvelous country and the associations which bind us are most precious and enduring.

Dealing With Others and One's Self

WHEN one is dealing with his fellows he should be lenient. There is nothing like compassion and sympathy. Let him be tolerant at all times. When he is dealing with himself he needs to be severe and exacting. He should establish a rigid standard in measuring his own achievements.

Developing the Power to Earn

ONE of the great assets of every insurance salesman is his power to earn. That is built up through evolutionary processes and either progresses or

PERSONAL SIDE OF BUSINESS

Col. H. P. Dunham, Connecticut insurance commissioner and indefatigable golfer, arrived in Chicago Monday so that he could unlimber his mashie before helping to decide the fate of the insurance business. On Tuesday, Col. Dunham played at Knollwood golf club with H. A. Behrens, president of the Continental Casualty and Continental Assurance; George H. Bell, western manager of the National of Hartford, and J. C. Griswold, Chicago branch manager for the Continental Casualty.

Left-handed pitchers have long been considered assets to good baseball clubs but left-handed golfers have seldom been anything but liabilities to themselves and their associates. B. L. Hewett, Jr., special agent for the Boston and son of B. L. Hewett, western manager, shot this generalization full of holes at the Blue Goose tournament near Detroit last week. Mr. Hewett, one of the state's leading amateurs, portended the other gander golfers into virtual oblivion by competing without handicap and nevertheless taking both low gross and low net honors with a 70, one under par.

William A. Bradshaw, well known local agent of Jamestown, N. Y., is bereaved by the death of his wife. Mrs. Bradshaw was killed in an automobile accident near Dresden, N. Y. Mr. and Mrs. Bradshaw had attended commencement exercises at Hobart College where their son was graduating. Mrs. Bradshaw was in a car driven by her son, which collided with another automobile on a slippery road. The son was not seriously injured. Mr. Bradshaw was in a car following with his daughter and his husband.

L. M. Hallack, manager of the Tulsa office of the Fire Companies Adjustment Bureau of Texas, and Miss Merle Beatrice Priddy were married Wednesday of this week in Norman, Okla. Mr. Hallack was formerly manager for the Fuller Adjustment Company in Tulsa.

Three men prominent in insurance circles were in the Florida Democratic primary. W. V. Knott, state treasurer and insurance commissioner, was the only man seeking state office that did not have opposition. Dr. S. L. Lowry of Tampa ran against H. J. Drane of Lakeland for Congress in the First district and got enough votes to force Mr. Drane into a run-off with the second man, Hardin Peterson, city attorney of Lakeland. Dr. Lowry was one of the founders of the Florida Local Underwriters Association 25 years ago, served four terms as its president and has missed only three state meetings. Mr. Drane has been an agent at Lakeland for 48 years.

Commissioner W. C. Walsh of Maryland, who is on hand for the gathering of commissioners in Chicago this week, will remain in that city next week for the Democratic national convention, to which he is a delegate. He is accompanied by Deputy Commissioner Joyce of Maryland. Both officials expressed pleasure upon finding much sentiment in Chicago favorable to the candidacy of Governor Ritchie.

Leslie P. Voorhees, who had been connected with the Springfield Fire & Marine in the west since 1879, but has been on the reserve list since 1920, died at his home in Blue Island, Ill., at the age of 75. At the time of his retirement from active service he was cashier in the western department office of the Springfield F. & M. He had been in poor health for a long time. In the later years, he continued the duties of treasurer of the Springfield Savings Association, an office

savings society. Before joining the Springfield, Mr. Voorhees was connected with the Field & Leiter organization, now Marshall Field & Co., in the accounting department.

Harry M. Ferrers, superintendent of the loss department for the Springfield at Chicago, is a son-in-law of Mr. Voorhees.

Miss Imogene Anderson, daughter of C. L. Anderson of San Antonio, Tex., special agent of the Republic, is enrolled as a student in the Art Students League of New York. She will take up her studies of portrait painting and illustrating through the summer months. She will re-enter the Maryland Institute of Art at Baltimore in the autumn, as a senior.

J. A. Giberson, well known local agent at Alton, Ill., has his right foot in a plaster cast and is navigating on crutches. He turned his ankle on the sidewalk near his office June 8 and broke a bone in his right foot. The accident interferes greatly with his getting about, but he is far more active than many agents who have no disability.

C. C. Wysong, former Indiana insurance commissioner, has recovered from an injury received on an Indianapolis golf course which was followed by infection and for a few days appeared to be threatening. His chief satisfaction in making a quick recovery, it would seem, was that he could attend the graduation exercises of his daughter "Betty," a Tudor Hall student in Indianapolis.

Mrs. Mary L. Fletcher of Detroit, field secretary of the Insurance Federation of America, owing to the fact that the organization has had to curtail its national activities, is leaving its service and at present is at her sister's cottage, "Kingsholme," Mackinac Island, Mich. Mrs. Fletcher worked in a number of states. She did especially effective work in Wisconsin and Ohio. She has a wide acquaintance among insurance people and legislators. She knows insurance and leaves her work with the Insurance Federation with keen regret and most excellent good will for all connected with it.

Stacey W. Wade of Raleigh, N. C., former insurance commissioner and nationally known, received the Democratic nomination for secretary of state of North Carolina in the Democratic primary. The Democratic nomination is tantamount to election in North Carolina, since that party has controlled state affairs for many years. Mr. Wade is now in the insurance business in Raleigh.

Assistant Western Manager W. K. Maxwell of the Hanover Fire at Chicago was at his desk Monday morning of this week, having returned from a five weeks' jaunt to the Pacific Coast. Mr. and Mrs. Maxwell spent most of the time at their son's home at Oxnard, Cal., where he is an attorney.

The Rev. E. R. Hardy, Jr., son of E. R. Hardy, secretary of the Insurance Society of New York, has been ordained a priest of the Protestant Episcopal Church, having attained his 24th birthday, the minimum age for entry into its ministry. Dr. Hardy is a prodigy. He matriculated at the age of 5 at the New York University; passed the Harvard examination at 10, entered Columbia at 12, won a Phi Beta Kappa key at 14; received his A. B. at 15 and his M. A. at 16. While waiting until he was old enough to enter the priesthood Mr. Hardy taught Greek at the General Theological Seminary.

There's a difference in **INSURANCE POLICIES**

but how can the value be determined? » Price for the most part is standardized. Certain rates hold for certain specified protections. Then the value to the prospective policyholder must lie in the quality and service of the protection that is offered him. » This resolves itself first, into the reputation of the local agent who will negotiate the insurance and next, the reputation of the company which will furnish the protection. » Agents of "The Home of New York" can build a local as well as a company reputation. The highly developed loss and engineering services in conjunction with the established financial standing of the company offer an unexcelled quality of protection. » It is an agency asset to represent "The Home" a company which has served the public well for over seventy-nine years.



THE HOME INSURANCE COMPANY **NEW YORK**
59 MAIDEN LANE ORGANIZED 1853 NEW YORK, N. Y.

Strength « » **Reputation** « » **Service**

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Cleveland's Fire Boats Gone

Insurance Men See in This Action a Step Backward as to Fire Fighting

CLEVELAND, June 22.—The scrapping of Cleveland's two fire boats, which plied the lake front and the Cuyahoga river, caused concern among insurance men and property holders in the Cuyahoga river valley last week. Cleveland has been considered a hot spot for companies for some time with the loss ratio for 1930 running 76½ percent. National Board reports had recommended an expenditure of \$3,000,000 here a short time ago to meet fire department qualifications. In view of the city's needs, a raise in rates had been under consideration. Replacing of old equipment with new was immediately made to the extent of \$100,000 while during the first year of the new fire chief's direction, fire losses were cut about \$1,500,000.

At the same time amazing progress has been made in stamping out the arson menace. Such progress has fore stalled any raise in rates in this city and now the scrapping of the two fire boats is considered the first backward step. With reference to these boats, the National Board had recommended their replacement with one new modern craft. Now that the boats are out of operation, the fire prevention division of the chamber of commerce is taking the matter in hand and a meeting is scheduled for this week to take action on the situation. Allen Hendricks of the Monarch Fire is secretary of the division.

Issue Over Binder

The Minster Mutual Fire is defendant in a civil suit for \$25,000 carried up from the common pleas and appeals courts to the Ohio supreme court. The suit was filed in Findlay by Mrs. A. Abowd of Fostoria, who is trying to recover insurance in the company on the Marvin theater in Fostoria, which was destroyed Nov. 15, 1930. The assured took the position that an agent had agreed to place a binder which would make the insurance effective until a policy could be issued. The verdict in

favor of the Minster Mutual was given on the ground that the insurance rate had not been determined and as a result there was no contract, oral or otherwise.

Brown Heads Field Club

Paul F. Brown of the Hanover was elected president of the Fire Prevention Association of Ohio at its annual meeting in Columbus this week. Howard J. Manning, Ohio Inspection Bureau, was reelected vice-president and H. I. Smith, Detroit Fire & Marine, was chosen secretary-treasurer to succeed Dwight P. Ely, Ohio Farmers, who has become chairman of the executive committee. Mr. Brown will name the rest of his committee later.

Ohio Mutuals Elect

The Ohio Mutual Insurance Union at its annual meeting in Columbus this week elected W. H. G. Kegg of the Lumbermen's Mutual president for the fourth time. Other officers are H. F. Duesing, Springfield, vice-president, and Dale Horner, Mansfield, secretary-treasurer.

West Virginia Raises Question

The West Virginia department has taken under consideration the situation concerning the Allstate and the Allstate Fire of Chicago, Sears, Roebuck & Co. companies, which have been cited to appear to show cause why their licenses should not be revoked. The department claims that the companies have been soliciting business through the mails and have no agents in the state. Attorneys for the companies agreed that agents would be appointed if the licenses are not revoked.

Ohio Notes

The W. H. Herman Insurance Agency of Cleveland has been incorporated by G. B. Folk, R. B. Morrison and M. G. Harrison.

The Stich Insurance Agency of Cleveland has applied for Class I membership in the Insurance Board of Cleveland. Leo Stich, head of the agency, has been in the insurance business 16 years.

Harry Beckenstein has resigned from the Patterson, Bell & Crane agency at Charleston, W. Va., and will organize his own agency. He was formerly a member of the Beckenstein-Emericick agency.

CENTRAL WESTERN STATES

Fire College on This Week

Interesting Four Day Session Is Being Staged at the University of Illinois

F. S. Dickson of Chicago, assistant general counsel of the National Board, spoke this week on "Responsibilities of the Fireman," at the annual fire college which opened Monday at the University of Illinois for a four-day session. W. S. Rathbun of Chicago, engineer of the National Board, spoke on "Building Construction." Clarence Goldsmith, assistant chief engineer of the National Board, conducted the open forum. Chief McAuliffe of the Chicago Fire Insurance Patrol will speak Thursday of this week on "Unusual Fire Casualties." Director of Trade & Commerce L. H. Lowe and F. P. Haderlein, head of the Illinois Firemen's Association, spoke.

Wiley Heads Illinois Pond

Atlas State Agent Succeeds J. T. Harding—A. T. Ahlin Starts Up the Ladder

R. D. Wiley, Illinois state agent for the Atlas, was advanced from supervisor to most loyal gander at the annual meeting of the Illinois pond, Monday. He succeeds John T. Harding, state agent for the Millers National, who served two years.

F. J. Breen, Standard of New Jersey, was advanced from custodian to supervisor. C. W. Ohlsen, assistant western manager of the Sun, progressed from guardian to custodian. A. T. Ahlin, state agent Norwich Union, was elected guardian. A. J. Meyer, Automobile of Hartford, was reelected keeper, and P. J. V. McKian was reelected wielder.

The pond endorsed the candidacy of T. Ray Phillips for grand keeper to be

Virginia Speaker



CHAUNCEY O. RANSOM, Cleveland

C. O. Ransom, well known Cleveland local agent, prominent in the Cleveland Insurance Board and the Ohio Association of Insurance Agents, was one of the leading speakers before the annual meeting of the Virginia Association of Insurance Agents at Richmond last week.

elected at the annual meeting of the grand nest in Jacksonville, Fla., in October. Mr. Phillips is state agent for the America Fore group in Oklahoma.

Mr. McKian and Mr. Harding were elected delegates to the grand nest meeting, with Mr. Breen and Mr. Meyer as alternates.

Discontinue Old Custom

At the instance of Mr. Harding, the practice of electing a Western Insurance Bureau man to office in the Illinois pond every other year, is being discontinued. Mr. Harding, who represents the Bureau companies, said that this practice gave the bureau too much recognition in the pond, because of the scarcity of Bureau field men.

W. J. Sonnen of the St. Paul F. & M. reported that the Illinois pond is about 70 percent insured in the group policy of the Lincoln National Life.

The stipend of Mr. McKian was increased from 25 cents per member to 50 cents per member in recognition of his faithful service and of the burden of his work.

Detroit Fire and Casualty Men Hold Outing in Canada

Fire, casualty and surety men, 200 strong, attended the annual outing of the Casualty & Surety Field Club of Michigan, Detroit Association of Insurance Agents and Surety Association of Michigan at Oxley Beach, Ont.

A baseball team captained by Charles Buckley, Union Indemnity, defeated the team under L. E. Murdock, state agent for the Yorkshire, 8-7. The fire men evened things up by capturing the relay race, however. Russell Grow, Freese Agency, and C. L. Miller, Standard Accident, carried off the golf prizes. George Updyke, Travelers, had charge of the field sports.

J. W. Callahan, Travelers; John Horan, Aetna Life; H. B. Quinn, Maryland Casualty, and John L. Dickinson, Dickinson agency, acted as hosts. The general committee in charge was headed

by A. S. Cowlin, National Bureau of Casualty & Surety Underwriters.

No Gary Raise at Present

Suspension of service fee payments on 217 fire hydrants, proposed by the city council at Gary, Ind., as an economy measure, will not cause an increase in rates at present, according to the National Board. However, representatives of the National Board disclosed that because it lacks a modern fire alarm system, Gary is about to be moved to fourth class, with higher rates to be expected early in the fall.

M. H. Cooper Joins His Father

M. H. Cooper, who has been connected with the Illinois Inspection Bureau for six years, has joined his father, Ben C. Cooper, in the adjusting business at Ottawa, Ill., and the firm of Cooper & Cooper has been organized. M. H. Cooper graduated from Armour Institute of Technology in the fire prevention engineering course.

Illinois Notes

Moline, Ill., at a municipal election, voted to improve the waterworks involving expenditures of about \$350,000. It will give the city adequate water supply.

Guy C. Livesay, manager of the Centralia Insurance Exchange, Centralia, Ill., is recovering from a very serious illness and will shortly be back at work.

News of States in the Northwest

Austin Brands Charge False

Declares Statement Made by Commissioner Brown of Minnesota in Defense Is Untrue

Z. H. Austin of Minneapolis, secretary of the Okeelanta Plantation Company, who brought charges against Insurance Commissioner Brown of Minnesota, brands as false the statement of the commissioner that the action was prompted by Mr. Austin's desire for revenge because the Minnesota department four years ago compelled him in effect to restore some \$40,800 belonging to the North American Life & Casualty of which Mr. Austin had been president and manager. Mr. Austin in a communication to THE NATIONAL UNDERWRITER states that there is nothing of record anywhere to show that he was ever obligated to that company for any sum of money whatsoever. He says as president he assisted from time to time in financing its affairs by heavy contributions to its capital and surplus in a perfectly regular and legitimate way.

Mr. Austin says, "In each and all of such instances, I acted solely on my own initiative in the customarily approved manner of financing such institutions, and without compulsion from or by any official or person whatever. My long experience in the insurance business, both as a state official and otherwise, has been a creditable one in which I have just and pardonable pride. I defy any person to truthfully and honestly cast any reflection upon it."

Mutuals Award Scholarship

Paul Cornell, Milwaukee student, was awarded a university scholarship of \$2,000 in cash for writing the best essay on "Mutual Fire Insurance—Its History, Development and Future," in a contest conducted by the Hardware Dealers Mutual Fire of Stevens Point, Wis., Retail Hardware Mutual Fire of

LOYALTY GROUP

JANUARY 1, 1932 STATEMENTS

JOHN R. COONEY, Vice Pres.	ARCHIBALD KEMP, Vice Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres.	HERMAN AMBOS, Vice-Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY			
CAPITAL			SURPLUS TO POLICYHOLDERS
\$18,795,380.00			\$32,306,202.99
JOHN R. COONEY, Vice-Pres.	ARCHIBALD KEMP, Vice Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres.	HERMAN AMBOS, Vice Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
THE GIRARD FIRE AND MARINE INSURANCE COMPANY			
\$ 1,000,000.00			\$ 2,034,545.17
JOHN R. COONEY, Vice Pres.	ARCHIBALD KEMP, Vice-Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres.	HERMAN AMBOS, Vice-Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA			
\$ 600,000.00			\$ 1,226,248.02
JOHN R. COONEY, Vice-Pres.	ARCHIBALD KEMP, Vice-Pres.	HERBERT A. CLARK, Vice-Pres.	H. R. M. SMITH, Vice-Pres.
W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.			
\$ 1,000,000.00			\$ 1,563,520.84
JOHN R. COONEY, Vice Pres.	ARCHIBALD KEMP, Vice-Pres.	HERBERT A. CLARK, Vice-Pres.	H. R. M. SMITH, Vice-Pres.
W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice-Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
SUPERIOR FIRE INSURANCE COMPANY			
\$ 1,000,000.00			\$ 1,603,338.23
JOHN R. COONEY, Vice Pres.	ARCHIBALD KEMP, Vice Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE			
\$ 1,000,000.00			\$ 1,751,660.54
CHARLES L. JACKMAN, President	CHARLES L. JACKMAN, President	NEAL BASSETT, Vice President	
JOHN R. COONEY, Vice Pres.	ARCHIBALD KEMP, Vice Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
THE CAPITAL FIRE INSURANCE COMPANY			
\$ 300,000.00			\$ 511,958.09
CHARLES L. JACKMAN, President	CHARLES L. JACKMAN, President	NEAL BASSETT, Vice-President	
UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.			
\$ 100,000.00			\$ 137,264.60
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W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.
MILWAUKEE MECHANICS' INSURANCE COMPANY			
\$ 2,000,000.00			\$ 4,967,756.04
H. S. LANDERS, President	J. C. HEYER, Vice President	WINANT VAN WINKLE, Vice President	JOHN R. COONEY, Vice President
E. G. POTTER, 2d Vice Pres.	E. R. HUNT, 3rd Vice Pres.	S. K. MCCLURE, 3rd Vice Pres.	T. A. SMITH, Jr., 3rd Vice Pres.
			F. J. ROAN, 3rd Vice Pres.
THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK			
\$ 1,000,000.00			\$ 2,009,866.67
H. S. LANDERS, President	WINANT VAN WINKLE, Vice President	J. C. HEYER, Vice President	JOHN R. COONEY, Vice-President
E. G. POTTER, 2d Vice Pres.	T. A. SMITH, 3rd Vice Pres.	E. R. HUNT, 3rd Vice Pres.	S. K. MCCLURE, 3rd Vice Pres.
COMMERCIAL CASUALTY INSURANCE COMPANY			
\$ 1,000,000.00			\$ 1,814,648.30
WESTERN DEPARTMENT			
844 Rush Street, Chicago, Illinois			
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PACIFIC DEPARTMENT			
220 Bush Street,			
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W. W. & E. G. POTTER, 2nd Vice Presidents			
F. E. BRISBINE, Res. Vice President			
FRED W. SULLIVAN, Secretary			
SOUTH-WESTERN DEPARTMENT			
912 Commerce St., Dallas, Texas			
OLIN BROOKS, 2d Vice President			
MEN LEE BOYNTON, Res. Vice President			
A. C. MEEKER, Secretary			

LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

Minneapolis and Minnesota Implement Mutual Fire of Owatonna. The contest, open to any senior high school student in Wisconsin, attracted 71 contestants from every part of the state. A similar contest, sponsored by the same mutuals, was conducted in Minnesota.

Would Junk Old Equipment

MINNEAPOLIS, June 22.—Testing showing that it would be more economical for Minneapolis to scrap its old fire fighting equipment and buy all new equipment was submitted in the hearing of ouster proceedings against Fire Chief C. W. Ringer before the civil service commission, by J. B. Hawley, Jr., president Northern Pump Company.

Chief Ringer, who is charged with inefficiency and improper operation of the department, said the cost of equipping the department as recommended by the National Board would be more than the taxpayers would be willing to meet.

Depression Boosts Incendiary

MADISON, WIS., June 22.—The depression is stimulating incendiary fires, with the result that the state fire marshal's office is being called on for many investigations.

Investigations of building fires have been increasing steadily in recent years, with 295 suspicious fires probed in the state last year and 34 persons convicted of setting buildings on fire to collect insurance. In 1929 there were 242 investigations, with only 18 convictions.

Daniel Addresses Firemen

Frank R. Daniel, chief engineer of the Fire Insurance Rating Bureau of Wisconsin, Milwaukee, discussed cooperation between property owners and firemen in fire prevention at the annual convention of the Wisconsin State Firemen's Association at Clintonville, Wis., last week. He pointed out that fire prevention is far more important than putting out a fire after it has started.

Welcomed by "Mein Host" Doten

Field men and other insurance people who go to Janesville, Wis., are being given a hearty welcome by Proprietor Harry B. Doten of the Hotel Monterey. Mr. Doten was formerly in the hotel business with his father in Illinois, but later went into the field for the Home of New York, later the City of New York, and finally was western manager for the New York Casualty. He therefore knows insurance from its many angles and has a wide acquaintance in the business. "Mein Host"

Doten is seeing to it that insurance people receive the best that the Hotel Monterey has.

Set Wisconsin Convention Date

The Wisconsin Association of Insurance Agents has set Oct. 7 as the tentative date for its annual meeting, to be held at Madison, Wis., according to J.

G. Grundle, Milwaukee, secretary-treasurer. Fred J. Lewis of the George H. Russell Co., Milwaukee, is president of the association, and W. J. Tucker, Beloit, chairman of the executive committee.

The **Stodle Realty Co.** of St. Paul has been formed to carry on the business of the late Nils Stodle. C. C. Roberts will continue to have charge of the insurance department.

IN THE MISSOURI VALLEY

Nebraska Field Groups Meet

S. L. Gardner Heads Blue Goose—F. L. Swanson, President of Fire Prevention Association

The annual meeting and summer party of the Nebraska Blue Goose was held at Happy Hollow Club, Omaha. Nearly 150 ganders and their ladies attended, with a number of visitors from other ponds. Among the notable guests were Lee Hamlin, first most loyal gander of the Nebraska pond in 1906; Howard Alexander, most loyal gander of the Iowa pond, and Mrs. Alexander, and Mr. and Mrs. J. Burr Taylor of St. Louis. Mr. Hamlin spoke briefly, stating that the activities of the Nebraska pond today have far surpassed the fondest dreams of the small group who took their first swim in that pond.

The following officers were elected: Most loyal gander, S. L. Gardner, Omaha; Morrison & Clark General Agency; supervisor, G. B. Campbell, Lincoln; American Central; custodian, A. H. Brown, Hastings; Springfield; guardian, E. L. Cresslin, Omaha; Continental; keeper, W. P. Blinn, Omaha; Nebraska Inspection Bureau; wielder, L. H. Bridges, Omaha; Home of New York; L. C. Thoelecke, North America, retiring most loyal gander, and Wielder Bridges were chosen delegates to the grand nest. The day's program began with a round of golf, the trophy for low net score being won by R. F. Mallory of Lincoln.

The past year has been one of the most successful ever enjoyed by the Nebraska pond despite the trying times that confront all organizations. The membership has reached the highest point in its history. It ranked first in the United States in total number of new life insurance applications, as well as percentage increase. The Monday luncheons have been outstanding, with an attendance of between 30 and 40

almost every week. First steps were also taken in the formation of a Ladies auxiliary, a temporary organization having been formed.

At the meeting of the Nebraska Fire Prevention Association these officers were elected: F. L. Swanson, Lincoln; New Hampshire Fire, President; A. H. Brown, vice-president; G. B. Campbell, secretary-treasurer.

Iowa Local Agents' Meeting Will Be Held in Des Moines

The annual meeting of the Iowa Association of Insurance Agents will be held at the New Kirkwood hotel in Des Moines, Sept. 9-10. Chester E. Ford of that city is president. It is now proposed that the meeting will start the afternoon of the first day. That evening will be known as company and branch office night, giving company people a chance to entertain their agents. The big banquet will be held Saturday evening. During Sunday the agents will have the privilege of playing golf or going on sight seeing trips.

Phister Agency in New Quarters

The Phister Insurance Company of Kansas City, Mo., one of the largest general agencies in the middle west, has moved its offices to the new Fidelity National Bank building. The agency, organized in 1905, began business in the former Fidelity building at the same location, and used it as its headquarters for 20 years.

Real Contest for Commissioner

TOPEKA, KAN., June 22.—For the first time in years there seems to be real competition for the post of insurance commissioner, with four candidates for the Republican nomination and three on the Democratic side.

Commissioner C. F. Hobbs is seeking a third term. He is opposed in the Re-

publican primary by John Smith, who was assistant to W. R. Baker and ran against Mr. Hobbs four years ago; J. J. Banks of Atchison and Robert McGiffert, local agent in Topeka.

On the Democratic ticket F. L. Britton, for many years state agent for the North British & Mercantile and now an independent adjuster in Topeka, was the first to file. Other candidates are C. L. Kendall of Topeka, general agent Northwestern National Life, and John Lantz of Kansas City, Kan. The Socialist candidate is Frank Higgins of Independence.

Push Riot and Explosion

KANSAS CITY, MO., June 22.—Field men report that local agents in Missouri are very active in soliciting riot and explosion insurance for wholesale and retail food outlets in anticipation of possible food riots this winter. Agents are finding these coverages easy to sell and have placed them on several large and many smaller lines.

Demand for such coverage is great in Kansas City and St. Louis, particularly on explosion.

Hear Farm Loan Talk

DES MOINES, IA., June 22.—Griff Johnson, vice-president and assistant treasurer of the Equitable Life of Iowa and manager of its farm loan department, was the principal speaker at this week's luncheon meeting of the Iowa Blue Goose. Mr. Johnson discussed the farm loan situation from the insurance company's standpoint.

Most Loyal Gander A. H. Alexander announced that the pond will hold one more meeting before adjourning for the summer.

Hold Meeting at Kirksville

T. H. Carlton, special agent of the Royal group, was chairman of the Missouri Town Improvement Association's successful meeting at Kirksville, June 16. Clyde H. Tindall, Firemen's group, was secretary. New underwriting rules were adopted for all business effective on or after Aug. 1.

O. D. Cox, state agent of the American, acted as chairman of the standing publicity and educational committee, which comprised G. E. Dixon, Great American; J. Elmer Ball, Home group, and H. B. Young, D. L. Bonfoey and J. L. Wagner, local agents.

Regional Meeting at Pratt, Kan.

Considerable interest has been shown in the series of regional meetings being held by the Kansas Association of In-

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surance Agents, according to Wade Patton, secretary. The next meeting will be in Pratt June 24. E. M. Baker, president of the Pratt Board, and Duane T. Stoner of Wichita, chairman of the membership committee, are arranging the program. A. F. McMasters of the Empire Securities will speak on install-

ment payment premiums. A full program of vital subjects will be up for discussion.

The Phister Insurance Company, Kansas City, Mo., last week moved its offices from the Walltower building to the sixth floor of the new Fidelity National Bank building.

STATES OF THE SOUTHWEST

File All Policies with City

That Is Remedy for Over-Insurance Proposed by Texas Firemen's and Fire Marshals' Convention

AUSTIN, TEX., June 22.—The Texas Firemen's and Fire Marshals' Association in convention here adopted two companion resolutions, one applying to cities and the other to the state, which urged adoption of laws prohibiting over-insurance through filing every fire insurance policy with city officials, together with a description of the property and its exact location.

Jay W. Stevens of San Francisco, state fire marshal of California, was the principal speaker.

"Take hold of this problem boldly, and see your local insurance men face to face," he urged. "When you have put your finger on the spot of over-insurance several times, you will find the problem fading."

Seven Counties Organized in New Oklahoma Campaign

OKLAHOMA CITY, June 22.—Within a week of formally launching the campaign to organize every county in Oklahoma for legislative work in the state, the Oklahoma Association of Insurers had organized seven counties, Secretary M. M. Keys announced. Carter county was organized June 14 at a meeting at Ardmore, when R. C. Tate and Charles Wilson, both of Ardmore, were elected temporary chairman and secretary. The 50 agents present pledged their efforts to secure all worthwhile local agents in the county as members.

Stephens county was organized June 15 at Duncan with Claude Frenzley of Duncan elected president; C. W. Hutchins of Marlow, vice-president; E. D. Wolf of Comanche, second vice-president, and Ralph Farnham of Duncan, secretary-treasurer. Cotton county was organized at Walters June 16 with Lon Sawyer of Walters elected president; Luther Bowen of Temple, vice-president, and Otto Sudik of Walters, secretary-treasurer.

At Lawton, the Comanche County Insurance League was organized and on June 17 Kay county was organized at Ponca City with V. V. Sills of that city chosen president; Dill Wild of Blackwell, vice-president, and Owen Miller of Ponca City, secretary-treasurer. The first regular meeting of the Kay County Insurance League will be July 12, at a dinner at Blackwell. At the Ponca City meeting, Senator T. P. Blakeley of Okmulgee gave an interesting talk on "Taxes and Their Effect on the Industries of the State."

Speakers for the different county organization meetings will be provided by the Oklahoma association.

Stevens Checks Dallas Department

DALLAS, TEX., June 22.—Jay W. Stevens, San Francisco, chief of the bureau of fire prevention of the National Board, is here making another inspection of the Dallas fire department. Last summer Mr. Stevens recommended the reorganization of the Dallas fire department, which was effected, and is here for a week to recheck its efficiency.

Over-Insurance Big Factor

San Antonio Fire and Police Commissioner Addresses Insurance Exchange—Cooperation Pledged

SAN ANTONIO, TEX., June 22.—At the San Antonio Insurance Exchange monthly luncheon, with Earl B. Ramsdell presiding, the chief speaker was Phil Wright, commissioner of fire and police. He stressed the fact that the city is having too many fires which indicate that they are of incendiary origin. He said, "Money is hard to get in these extraordinary times, and when a man is dishonest, he is likely to try to cash in. That is the evil of over-insurance.

"The blame does not lie with the insurance companies or the agents. It has been brought about by a drop in values on both buildings and contents. Insurance must drop as values have dropped. In the last two months the fire marshal and the fire inspectors have examined 700 or 800 buildings, and they estimate that 40 percent of these are over-insured."

Mr. Wright requested that no claims be paid on fires which are being investigated by his department until the completion of the investigation.

Secretary F. F. Ludolph assured Commissioner Wright that the members of the exchange are in accord with him. He says that as rapidly as new policies are being written on property the values are being reduced so that over-insurance may not exist. He gave it as his opinion that 85 percent of the buildings in the city which have not had the policies rewritten since the drop in values are over-insured.

The exchange members are cooperating with Commissioner Mauk in the inspection of insured property where the vacancy clause is employed. It is hoped that through these inspections the number of fires may be reduced.

Oklahoma Blue Goose Elects

Officers elected at the annual meeting of the Oklahoma Blue Goose are: A. B. Stewart, Providence Washington, most loyal gander; Carl Edwards, Fire Companies Adjustment Bureau, supervisor; Lee Morgan, Boston, custodian; R. M. Senn, St. Paul, guardian; R. E. L. Mugg, Home of New York, keeper, and J. C. Dickerson, Oklahoma Inspection Bureau, fielder.

Delegates to the grand nest are: T. Ray Phillips, America Fore, and F. C. Newcomer, Cotton Insurance Association. Alternates, C. T. Ingalls, Oklahoma Inspection Bureau and F. A. Rittenhouse, insurance attorney.

South Texas Pond Annual Meeting

The South Texas Blue Goose will hold its annual meeting at Galveston, June 24. The formal meeting will be followed by a banquet. Eugene Branshaw of San Antonio is most loyal gander.

Oppose Murray Tax Measure

OKLAHOMA CITY, June 22.—Ancel Earp, president of the Oklahoma Association of Insurers, will serve as secretary of the organization of business and professional men who will oppose the tax measure sponsored by Governor Murray, which was roundly denounced

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Will Wright
Field Correspondent



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at the organization meeting here. This and other measures sponsored by Governor Murray will be opposed by the Oklahoma association.

Women Hold "Bosses' Day"

OKLAHOMA CITY, June 22.—"Bosses' Day" was one of the most interesting events of the season for the Oklahoma City Insurance Women's Association. There were 55 members and their "boss" guests present. Joseph Dupree was the main speaker, dwelling on the importance of cooperation of companies and agents with their employees. Mrs. May Howenstein of the Crum & Forster office gave an entertaining reading of Edgar Guest's "If I Were Boss."

Ben Sloan Married

Ben Sloan, special agent of the Commercial Standard, Houston, Tex., and Miss Mildred Harris of Columbus, Ga., were married recently at Lake Charles, La.

L. A. Goodwin Transferred

L. A. Goodwin of the Waco office of the Fire Insurance Companies Adjustment Bureau has been transferred to

San Antonio to aid in caring for the increased losses in that vicinity.

Get Central of Baltimore

Quirk & McAllister, San Antonio general agents, have been given the representation of the Central Fire of Baltimore for Texas.

Arkansas Notes

Texarkana, Ark., has passed an ordinance prohibiting wooden shingle roofs.

Eason & Co., Fayetteville, Ark., have purchased the Mulrenin & Skillern agency.

The **Roy L. Bilheimer** agency, Little Rock, has been incorporated by Roy L. Bilheimer, T. A. Booth, J. L. Bilheimer and Preston Bilheimer.

Milwaukee Losses Drop

MILWAUKEE, June 22.—Fire losses in Milwaukee dropped sharply the first quarter of 1932, according to a report just issued by Fire Chief Steinkellner. The actual value of property destroyed by fire was \$260,503, compared with \$339,139 for the same period last year, while the total number of fires decreased by 24. Since April 1 there have been no fires of any consequence, and the second quarter is expected to show an even larger drop in comparative losses.

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Our new booklet, "Prospect and Mailing Lists" tells *who* your best prospects are, *where* to get their names and *how* to maintain your list.

A great many years of experience brought us, some time ago, to the conclusion that agents appreciate our efforts to understand their end of the business—so different from ours, yet so essential. We take rather seriously the problems of agency relations.

Part of the results of our study of your business is a series of booklets on local agency practice—of which this, on prospects, is the newest.

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Just clip out this advertisement and pin it to your business card or letterhead.

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Value of Group Sessions Shown at Texas Meeting

The annual meeting of the Texas association of Insurance Agents is now history but considerable comment still persists on the value of the group meetings which were held, in discussion of the many lines an agent is able to cultivate for profit. The 12 regional meetings have not yet been announced but President A. D. Langham is working out a tentative schedule to be announced shortly.

The Texas association shows a gain in membership for the year. It is far ahead of its program on the five year development plan and is in a position, as evidenced by the passage of the agents license law, to assist in the passage of legislation which will benefit the companies, assureds and agents as

well. It is doing very effective work.

The group meetings brought out the fact that some agents are woefully ignorant of some of the use and occupancy, fidelity, surety, casualty and other lines which are written by active local agents. Unless an agent is fully familiar with every possible line he is privileged to write he is naturally going to miss a lot of business. It is conceded that some of these lines produce only a small premium and that their fundamentals are technical but they are worth while mastering because small premiums account for a surprisingly large total. In announcing the regional meetings it seems logical that President Langham would do well to appoint competent agents and company men to supervise educational activities to be held jointly with these meetings.

The way in which the recent group meetings were handled is an indication of the extreme value of educational sessions at annual and regional meetings.

IN THE SOUTHERN STATES

Matt Smith Urges No Letup

National Association Leader Cites Achievements of Past, Future Possibilities at Mississippi Agents Meeting

Responsibilities of local agents in strengthening the American agency system, but at the same time not organizing so highly that they destroy individual initiative, were stressed by Matt G. Smith, member executive committee National Association of Insurance Agents, in his talk on "The Local Insurance Agent in Organization," at the annual meeting of the Mississippi Association of Insurance Agents at Jackson. He said a review of projects of the National association in the last two decades shows it to be the outstanding trade association of the nation, its accomplishments in behalf of agents in less than half a century being little short of miraculous.

It has created a resale value for agencies, an intrinsic worth in expirations, has discredited overhead writing, made rate wars obsolete, caused multiple agency appointments and underwriters' annexes and bank agencies to pass out of the picture. It has created a fraternal spirit among agents and a dignified competition with a wholesome, honorable and professional attitude; has removed friction between agents and companies and substituted definite understanding and consideration one for the other.

Asks Eternal Vigilance

In spite of this and many more accomplishments, he said, "there should be no letup in eternal vigilance if we are to advance the American agency system." Yet, he said, agents must learn to take the benefits of organizations but not depend altogether upon them, "lest the strength of the mass become the weakness of the individual." He believes the greatest scope of usefulness of the National association still lies ahead. He asks that a last serious effort be made to muster full forces and assure success of the National association's five-year development plan.

He believes state units have the responsible task during reconstruction days of leading agents to their new place in commerce and this can come about only through strong state association units backed by loyal membership. Agents who have been living isolated insurance lives and have never joined forces with their local boards or associations have a poor chance of making good now, he believes. Their very aloofness indicates a type of mind which cannot progress under the pressure of economic readjustment.

Mr. Smith sees great hope in formation of the Insurance Executives Association

ciation, which he terms "the greatest single step in amalgamation of common interests ever undertaken by a profession or craft." He considers this a blow at paternalism, offering a return of all insurance problems to the point where they should be worked out, within the business and without governmental interference.

Kentucky Men Hear Officials

Street, Henne, Verner, Hanawalt Address Preventionists—Watson President—Harrison Heads Blue Goose

The Kentucky Fire Prevention Association at its annual meeting in Louisville heard C. R. Street, vice-president and western manager of the Great American, discuss increased need of fire prevention work. He said there is little hope of securing any general increase in fire insurance rates. The only alternative is reduced loss ratio. He favored a program of closer and better inspection of residence risks, pointing out that these classes had shown a material increase in loss ratio. He also discussed mutual competition at some length.

E. A. Henne, vice-president and western manager of the America Fore group; R. E. Verner, Western Actuarial Bureau, and L. R. Hanawalt, assistant manager National of Hartford, Chicago, also spoke.

Mr. Verner referred to the economy wave in government and its probable effect on premium income and loss ratio, and suggested closer and better inspection of city schools, city owned properties, etc.

Report by E. A. Parsons

Secretary E. A. Parsons delivered a report of association activities. R. L. Meeks, Fidelity & Guaranty Fire, president of the association, discussed seven cities inspected during the year, and commented on the fact that Owensboro holds first place in its class in the fire waste contest, and that Louisville was in second place in educational activities in connection with fire prevention week activities.

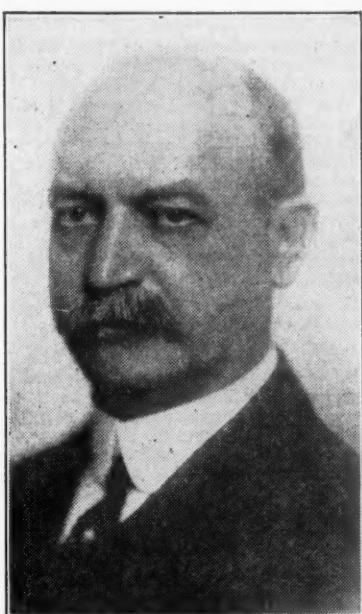
Capt. S. G. Render, Kentucky Actuarial Bureau, reported that Kentucky towns are entering 100 percent the annual fire waste contest.

Officers elected were: President, J. Raymond Watson, Northern Assurance; vice-president, Capt. Render, and secretary, E. A. Parsons, Standard of New York.

Members of the organization presented Mr. Meeks, retiring president, with golf equipment.

At the annual meeting of the Kentucky Blue Goose, C. P. Thurman, Continental, was made wielder and all other

To Give Welcome



COL. WALKER TAYLOR
Wilmington, N. C.

Col. Walker Taylor of Wilmington, N. C., massive and towering, prominent in the National Association of Insurance Agents, one of the consistent members of the third house at the time the National Convention of Insurance Commissioners meets, will give the welcome this week when the North Carolina Association of Insurance Agents meets at Wrightwood Beach near his city.

officers moved up a notch, J. H. Harrison, Louisville adjuster, becoming most loyal gander; J. H. Heitmeyer, Liberty Fire, supervisor; Lawrence Driscoll, Norwich Union, custodian; W. H. Strossman, Hartford Fire, guardian; W. P. Huffman, National of Hartford, and Mr. Harrison, delegates to the grand nest. It was announced that the Kentucky pond now has 127 members.

Georgia Program Announced

Quaid, Commissioner Harrison to Address Meeting at Savannah July 1-2—Boat Session Scheduled

The program for the annual meeting of the Georgia Association of Insurance Agents to be held at Savannah, July 1-2, has been announced. Among the speakers from outside the agency ranks will be William Quaid, vice-president of the Southern Fire; Commissioner Harrison of Georgia, and H. H. Hirsch, Georgia special agent for the American of Newark.

The address of welcome will be delivered by Mayor T. M. Hoynes of Savannah. The response will be given by Frank Lumpkin, past president of the Georgia association. There will then be the reports of President Scott Nixon of Augusta, Secretary Hamilton C. Arnall of Newnan and George White of Atlanta, chairman of the executive committee. The address of Mr. Hirsch will conclude the first morning's session.

The afternoon session of the first day will open with a report of the 1931 convention of the National Association of Insurance Agents by National Councillor S. O. Smith. Then there will be a report on the mid-winter meeting at Cleveland by Mr. Arnall.

An executive session will then be held by agents from towns other than Augusta, Atlanta, Columbus, Macon and Savannah. This is to give the small town agents a chance to discuss their

problems. At this meeting there will be a report by T. T. Caldwell of Thomasville, member of the executive committee.

The next feature will be an address on workmen's compensation commissions by Mr. Arnall, and the afternoon session will close with a general discussion of collection problems.

A dinner dance is scheduled for that evening.

The session the second day will be held on board the S.S. Clivedon and will open with an address by Charles L. Gandy of Birmingham, chairman of the executive committee of the National association. He will be followed by Mr. Quaid and Mr. Harrison. That afternoon there will be recreation at the golf club and on the beach.

National Board Publishes Criticism of Chattanooga

The water supply at Chattanooga, Tenn., is said by the National Board to be adequate and mainly reliable, with good quantities available for engine supply in most sections. The fire department is only fairly effective, poorly trained and weak in ladder service. The fire alarm system is inadequate with many unreliable features.

Serious individual and group fires are probable in the principal mercantile district where large areas and lack of window protection prevail. Fireproof construction and sprinklered buildings form good sectional and local barriers and, coupled with good water supply, should prevent fire from spreading to involve any great portion of the district. Serious group fires are probable in minor mercantile districts. Manufacturing plants are subject to severe individual group fires. The gross fire loss for the past five years was \$2,150,063, with the average loss per fire, \$433, "a low figure," and the average loss per capita, \$4.30, "a moderately high amount."

Farm Loss Ratio Higher

Farm loss ratios in most all the southern states are higher this year than last. In a number of localities there have been storms that have increased the windstorm loss ratio. Some companies have grown discouraged over the farm situation in large sections, now feeling that it is impossible to come out whole.

Postpone Windstorm Hearing

BATON ROUGE, LA., June 22.—The hearing on Louisiana windstorm insurance rates which was scheduled to be held in New Orleans June 17, was postponed. The new postponement was ordered because of the presence of members of the insurance commission at the capitol in connection with various proposed legislative measures dealing with insurance matters.

Double License Tax

The companies received this week from the city of Richmond, Ky., bills for a municipal license tax for fire lines of \$20 and for automobile lines of \$25. One of the large companies received a bill for five years, for both fire and automobile, the aggregate being \$225. The companies were much puzzled about the tax for automobile and are directing their field men to investigate.

The question of municipal license taxes is being analyzed by executives. Some companies are directing their field men either to retire or to get more volume in towns which impose a large license tax and in which the company is getting less than the average volume.

Richmond By-Laws Revised

RICHMOND, June 22.—The by-laws of the Insurance Exchange of Richmond have been amended, making the fiscal year end in October instead of July. The annual meetings will be held hereafter the fourth Friday in October.

It is also provided that officers shall be elected by the membership instead of by the directors as heretofore. The exchange assumes jurisdiction over additional suburban territory under the new constitution.

Augusta Board Elects

AUGUSTA, GA., June 22.—The Augusta Board at its annual meeting elected the following officers: John B. Murray, president; Clarence H. Cohen, vice-president; A. H. Howell, secretary-treasurer. The new executive committee is composed of H. C. Eve, J. C. Chesser, W. F. Law, Jr., and A. M. McAllister. One of the aims for the coming year will be the adoption of some sort of cash plan, as collections are tight.

Adopt New Collection Plan

BIRMINGHAM, ALA., June 22.—A new approach to credit and collection problems will be made July 1 by the Birmingham Association of Insurance Agents in cooperation with the Merchants Credit Association, local affiliate of the National Retail Credit Association.

In brief the plan consists of a series of three collection letters and a bulletin service on deadbeats, both furnished at a nominal cost by the credit association. The first two letters although prepared

by the credit body are sent out under letterheads of the agents to their individual insureds. The last letter in the series is mailed under the letterhead of the credit association and reminds the delinquents that their credit rating will be affected by failure to pay. The desire of most men to keep their credit ratings good will be used as a lever to pry slow pays into line. A strenuous effort will be made to collect at least the amount of the earned premium.

Companies Quit Catlettsburg

Speaking on "Fire Prevention" before the Catlettsburg (Ky.) Rotary Club, Capt. S. G. Render, instructor for the Kentucky Actuarial Bureau, declared that many companies had withdrawn from Catlettsburg due to the increasing number of fire losses.

Gets American National in Louisiana

The American National of Columbus, O., one of the Great American group, has appointed J. Maxime Roy, Inc., Lafayette, La., as general agent.

Southern Notes

The annual splash of the *Louisiana Blue Goose* will be held at Mandeville, La., June 25-26.

J. B. Coffey, Columbia, Ky., has been reappointed deputy state fire marshal by State Auditor Talbott.

We Still Have Vision - - - - -

Deprive a man of everything he has in life, said a widely known financier, but let him keep his vision—and that man will be prosperous again.

This is a time-proven fact! We have in America a recuperative power unknown to other nations. We have courage, ambition—and vision.

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SAFETY SIDELIGHTS

is there an automobile club in your community?

If so, what is it doing to encourage safe driving, and what are you doing to help in the furtherance of its work?

If not, don't you think such a club, with prevention as its primary object, could accomplish a great deal toward the elimination of automobile accidents? Wouldn't it be a good idea for you to take the initiative in organizing one?

Insurance rates are high because accident costs are high. Why cuss the rates when accidents are the cause of the trouble? Help eradicate them and automatically pave the way for lower rates.

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PACIFIC COAST AND MOUNTAIN

Hear Halsey at Joint Meet

**More Than 100 at San Francisco Session
of Blue Goose, Claims Attorneys and
Accident-Health Managers**

SAN FRANCISCO, June 22.—More than 100 attended the joint meeting of the Blue Goose, claims attorneys and Accident & Health Managers Club Monday to hear Maxwell Halsey, traffic engineer of the National Bureau of Casualty & Surety Underwriters, in his first appearance at a series of meetings and conferences arranged for him in California. Mr. Halsey spoke on automobile traffic control and accidents from the insurance underwriter's viewpoint, stressing the need for greater interest in the problem by the members of the insurance fraternity. W. L. Wallace, vice-president Associated Fire & Marine, was chairman.

Mr. Halsey had an informal meeting Tuesday with a group of about 25 business men and underwriters interested in the present campaign of the San Francisco Council for the Reduction of Automobile Accidents, with particular regard to local conditions. He went to Sacramento today to confer with the heads of the California motor vehicle department and state highway patrol and addressed a joint meeting of the Sacramento Kiwanis Club and the chamber of commerce.

He will speak tomorrow before about 500 business and insurance men at a joint luncheon under the auspices of the San Francisco commercial club, the chamber of commerce and the San Francisco council.

Lichtenstein to Address Washington Agents League

SEATTLE, June 22.—Joy Lichtenstein, Pacific Coast manager Hartford Fire and Hartford Accident, has been added to the program of the Insurance Agents League of Washington which meets here July 21-22, and will be the principal speaker at the banquet. P. J. Perry, vice-president King County Insurance Association, will be toastmaster for the banquet.

H. T. Anthony of Spokane will respond to the address of welcome by Mayor Dore of Seattle. E. W. Trenbath, special agent for Pacific American Fire Underwriters has also been added to the first day's program.

In the open forum discussion on "Local Association Problems," led by M. B. Hevly, the following will participate: J. H. Davidson, president Tacoma Insurance Exchange; Bruce M. Hay, president Spokane Insurance Association; L. E. Douglas, president Snohomish County Insurance Agents Association; J. E. Mitchell, president Thurston-Mason Insurance Exchange, and C. Roy King, president Yakima Insurance Association.

Lumber Reciprocal Retires

PORLTAND, June 22.—Retirement of the Northwest Lumber Underwriters of Portland was announced following a conference with the insurance commission. The inter-insurer was organized in 1930 by B. W. Jones, Portland local agent, with the Associated Underwriters as attorney-in-fact.

Radio Broadcast Warning

Commissioner Averill of Oregon has sent out a warning against solicitation of insurance for nonadmitted companies by any broadcasting station. It has been held, he said, that solicitation of insurance by radio broadcast for unlicensed and unauthorized companies

constitutes violation of statutes, whether such broadcasting is in the nature of interstate commerce or otherwise.

Mr. Averill cites the statute holding personally liable an insurance agent who fails to notify the assured that any of his insurance has been placed in an authorized company. In addition, violation of the insurance code of Oregon also subjects the violator to a penalty of a fine of not more than \$500 or imprisonment not to exceed 30 days or both.

Portland Exchange Elects

PORLTAND, ORE., June 22.—At the annual meeting of the Insurance Exchange of Portland, R. W. Schmeer was reelected president; Fred A. Burgard, vice-president; A. D. Barbur, secretary, and A. S. Cohn, treasurer. The officers, together with A. H. McCann, W. R. McDonald, E. C. Mears, S. H. Salomon and George J. Schaefer, will comprise the executive board.

Tacoma Adopts Metropolitan Plan

TACOMA, WASH., June 22.—At a special meeting of the Tacoma Insurance Exchange the executive committee voted to inaugurate a metropolitan program modeled after the plan of King County Insurance Association. C. L. Slack of A. E. Long & Co. was appointed chairman. He will be assisted by George E. Harris of the Tacoma Insurance Agency. A survey of the agency field in Tacoma will be followed by a membership drive, at the conclusion of which fire companies will be requested to restrict their appointments to members of the exchange.

Lester Leadingham Transferred

Lester Leadingham, who has been covering the southern California field for the Automobile of Hartford and Standard, has been transferred to San Francisco and will assume charge of business production in the fire department of the Aetna Life group in the bay cities territory.

Clarke with National

Tom B. Clarke, veteran Pacific Coast field man, who recently resigned as superintendent of the fire department of the Automobile of Hartford and allied companies in San Francisco, has joined the Pacific department of the National of Hartford.

New Mexico Admits Lloyds

After having failed for three years in its attempt to enter New Mexico, Lloyds America of San Antonio has been licensed in the state. The state corporation commission ordered Superintendent Max Fernandez to permit Lloyds America to operate in New Mexico.

The assistant attorney-general, who wrote the opinion excluding the company in 1929, stated that while there is no specific law excluding a Lloyds group from the state, there is no law permitting them to enter. The state corporation commission decided otherwise.

Discuss Surety Acquisition Cost

LOS ANGELES, June 22.—Acquisition cost of fidelity and surety business was discussed at the regular meeting of the Fire Insurance Exchange of Los Angeles, which was attended by A. I. Zimmerman, H. Everett Charlton and John T. Brunn, representing the southern California fidelity and surety acquisition cost conference, who assured the members of the exchange of the active cooperation of their organization with the legitimate agents in the development of fidelity and surety lines and the

elimination of unethical practices. The exchange assured the conference that such support in promotion of the best interests of the business would be heartily reciprocated and that the organization particularly desired the elimination of commissions to contractors, politicians, influential purchasing clerks and other factors not directly engaged in the insurance business.

The subject of arranging for the supervision of casualty and surety lines in Los Angeles by the Fire Insurance Exchange of Los Angeles in the same manner in which it handles fire lines was also discussed and it is expected that definite action along this line will be taken up at the next meeting of the exchange.

Storms Result in Business

DENVER, June 22.—Mountain field men report considerable tornado and commercial hail business following notable wind and hail storms last week. The tornado at Colorado Springs, the first known in the mountain area, wrecked many small dwellings, and a serious hail storm caused extensive damage to buildings at Tucumcari and Clovis, N. M. Not only has some business been written as a direct result of these storms, but requests of local agents for policy forms against tornado and hail damage were reported.

Many Fail to Take "Exam"

SAN FRANCISCO, June 22.—Of the 1932 agents, brokers and solicitors operating in California under temporary licenses who were notified to present themselves for examination June 1, 3 and 16, only 764 appeared. This number included some of those who failed to pass in the examinations last February and were given another opportunity to qualify.

Since the agency qualification law adopted at the last session of the legislature, sponsored by the California Association of Insurance Agents, became effective about 10 months ago, only about 1,200 permanent licenses have been issued to newcomers in the business or those who have been in the business less than two years. This bears out the contention of the local agents sponsoring the law that it would eliminate those who are not capable of passing.

EASTERN STATES ACTIVITIES

To Discuss Branch Offices

Agents at Philadelphia Will Be Deeply Interested in the Subject at National Meeting

PHILADELPHIA, June 22.—One of the vital questions at the forthcoming meeting of the National Association of Insurance Agents to be held here Sept. 19-23 will be branch offices and over-the-counter business. Philadelphia is a typical branch office city. There are but few general insurance brokers left in Philadelphia. The Philadelphia local agents declare that these are largely subagents of branch offices. The local agents, pure and simple, contend that they cannot compete with the branch office system. They argue that their overhead is 8 percent higher for doing the underwriting, looking after details, etc. They contend that the companies should place the branch office on an equal basis with the commission agent so that the latter would be in a position to deal on a basis of equality with producers.

Syracuse Arson Drive

The executive committee of the Syracuse, N. Y., Underwriters Exchange has adopted a resolution expressing appreciation to Mayor Marvin of Syracuse

ing even a comparatively simple examination and in this way the level of the agency service of the state will be raised.

Blow Is Long Beach Speaker

Ben Blow, field secretary of the National Automobile Club, was the principal speaker at the meeting last week of the Long Beach Association of Insurance Agents, telling of the work the club is doing, both in service to members and in assisting agents of affiliated agents of affiliated insurance companies in soliciting coverage from automobile owners.

Kanze Assistant Manager

R. A. Kanze has been appointed assistant manager in charge of the marine department of the Los Angeles branch office of Edward Brown & Sons, San Francisco general agents.

Opens Los Angeles Office

The E. J. Scammell Company, San Francisco adjusting office, has opened a branch in Los Angeles with H. D. Kroh as manager. Mr. Kroh was with the National Surety in Los Angeles for seven years.

Page Elected Director

Charles R. Page, vice-president Fireman's Fund who is en route to London, was elected director of San Francisco chamber of commerce Tuesday.

Coast Notes

L. M. Caldwell, assistant vice-president of the Fireman's Fund and Occidental Indemnity, is on a three weeks business trip visiting agents at Portland, Seattle, Spokane and Helena.

Guy A. Inman, manager Fidelity & Guaranty Fire, is on an agency tour of Oregon, Montana, Idaho and Utah from which he will not return before the latter part of June.

L. H. Gornetzy has resigned as manager of the Richards & Rhorer general agency at Los Angeles and entered the general agency field for himself under the Security Insurance Underwriters.

Walter MacDonald and **D. O. Niddleton** have opened a local agency at 700 South La Brea avenue, Los Angeles. They were formerly with the Insurance Associates, a Hollywood local agency.



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OF THE
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Annual Statement January 1, 1932

Reserve for Unearned Premiums.....	\$2,082,507.62
Reserve for Losses, etc.....	678,921.47
Reserve for Security Values.....	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67
 TOTAL ASSETS	 \$6,466,423.76
SURPLUS TO POLICYHOLDERS	\$2,204,994.67

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THE "OLD STATE OF PENN"

IN THE CANADIAN FIELD

Quebec Brokers' Annual Meet

A. J. Gauthier, Montreal, Elected President—Superintendent Dugal Explains New Insurance Law

MONTREAL, June 22.—At the annual meeting of the Insurance Brokers Association of the Province of Quebec, held here, the following officers were elected: President, A. J. Gauthier, Montreal; vice-presidents, P. A. Boutin, Quebec; F. J. Conway, Sherbrooke; D. A. Hanson, Montreal, and Emile Gerard, Montreal; honorary treasurer, Arthur McBean, Montreal; directors, J. F. Parisien, Montreal; Jean Gagnon, Montreal; E. R. Byatt, Montreal; Stuart Rolland, Montreal; O. W. Dettmers, Montreal; Gaston LeBlanc, Montreal; J. de R. Tessier, Quebec; C. E. Caron, Three Rivers; C. Dumais, Roberval; J. B. E. Durocher, St. Hyacinthe; N. LaVoe, Riviere du Loup; past president, C. H. Hanson, Montreal.

At the annual dinner, B. A. Dugal, Quebec superintendent of insurance, outlined the new insurance law of the province, which undertakes complete control of the insurance business, and he indicated that its powers, as against those of the Dominion under the new law of the latter, could only be left to the courts.

The annual report of the association's executive reviewed licensing of agents

and other matters dealt with the past year.

Automobile Policies Standardized

OTTAWA, June 22.—Standardization of automobile insurance policy forms becomes effective in Ontario Sept. 1, the provincial department of insurance has stated.

The insured motorist will be automatically responsible to his victims under the new regulations. The standard form says that every company shall be liable to the victim of an accident under all circumstances. If the policyholder has violated the statute, the company must seek redress against him.

The rules, now in force in every other province except Quebec and Prince Edward Island, were adopted following an interim report of automobile underwriters to R. Leighton Foster, superintendent of insurance.

Toronto Institute Elects

TORONTO, June 22.—At the annual meeting of the Insurance Institute of Toronto, the following officers were elected: Honorary president, A. W. Goddard, Canadian Fire Underwriters Association; president, W. H. Burgess, Canadian Surety; vice-president, L. K. File, Canada Life; secretary-treasurer, C. Elvins, Imperial Life; librarian, R. Forster Smith, Liverpool & London & Globe.

MOTOR INSURANCE NEWS

Says Expirations Not Issue

Central Mutual Auto Official Denies Some Features of Report of Capital Motor Club Deal

Jess McNeal, secretary of the Central Mutual Auto of Detroit, has written to THE NATIONAL UNDERWRITER about the injunction permanently restraining the Central Mutual Auto from disclosing to any insurance agent the names and addresses of Capital Motor Club members, to whom the Central Mutual Auto had heretofore issued policies.

The Capital Motor Club had an arrangement with the Central Mutual Auto at first but later with the United Automobile of Grand Rapids. George Brown of Detroit, executive secretary of the Michigan Association of Insurance Agents, became interested in the case and made the ownership of expirations an issue.

The article stated that J. B. Smalley is president of the Central Mutual Auto. Mr. McNeal states that Mr. Smalley has not been connected with the Central Mutual Auto since Sept. 1, 1930.

The article stated that "War was declared by the Central Mutual," when it found that the Capital Motor Club had switched to the United Automobile.

No War, Says McNeal

"We wish to call to your attention that no war was declared by the Central Mutual in any way," Mr. McNeal stated. "There were no expirations to be considered insofar as this office was concerned as the injunction applied for was the result of cancellation of the contract in existence between the club and this company due to conditions which we do not care to discuss with your publication, that did not justify the continuation with the contract insofar as this office is concerned. No solicitation in any way of any expiration was made by this office. In fact there were several months before any expirations were up. The injunction was consented to

by this office, there was no reason and we had no occasion to take any other attitude and it is not the ethics of this company, which operates entirely on an agency plan, to attempt to control or take away from the agency organization any renewals that has been developed by that agency."

Lower Car Registrations Cause Slump in Premiums

NEW YORK, June 22.—One reason for the falling off in automobile business complained of by agents in certain sections, is the decreased number of car registrations in a number of states; licenses in Mississippi, for example, being 40 percent less in 1932 than was true of two years previous, evidencing that by virtue of the general business depression new machines are not being purchased with anything like the former freedom, while numerous owners of old cars feel they cannot afford longer to operate them and are putting them in storage. While the advance of automobile liability insurance rates may be accountable to a degree for the falling off in premiums, the main reason, as some managers have already pointed out, is the lesser number of cars in commission in various states, and the financial inability of many motorists to carry indemnity at all.

So far as the underwriting experience of the fire companies since the first of the year is concerned, fire or theft losses have not been excessive, according to the general understanding.

Rate Raise Under Advisement

RICHMOND, June 22.—Hearing on changes in automobile fire and theft rates as proposed by the Virginia Insurance Rating Bureau was held last week before the state corporation commission. The proposed schedule makes a number of material increases in rates. The commission took the case under advisement and still had it under consideration this week.

Much Interest in Active Campaign

(CONTINUED FROM PAGE 4)

ing their permanent interest by keeping within reasonable bounds as heretofore.

The commissioners will probably not bring the matter up at least in open session but the point may be discussed at one of the executive meetings.

Some Companies Solicitous

One point brought up with the commissioners is that even if foreign companies were allowed to advertise the home office statements the basis of calculation so far as reserves are concerned is different on the other side and comparison with figures made on more exacting American requirements is impossible. Furthermore foreign companies outside of the United States can usually write fire, marine, casualty and life insurance. In many cases the life insurance fund amounts to considerably more than the fire fund and naturally it is segregated to protect life policyholders only.

Undoubtedly the feeling has been greatly intensified in recent months. Companies have been receiving disquieting reports from field men and many have become restive just at the time an attempt is being made through the Insurance Executives Association to eliminate practices that became expensive and to smooth if possible competitive angularities that were costly.

Views of a Commissioner

One of the leading commissioners observed that it is very difficult for state officials to take a hand in delicate trade controversies of this nature. He said there might be considerable discussion as to just how far foreign companies can go in presenting home office figures where these are used merely for information. It would be a certain violation of the law if these figures were published as an advertisement. The commissioners, he thinks, would not be justified in taking up complaints where pure propaganda was being used if such were kept within reasonable bounds. The commissioners might be compelled to act, he said, if it were proved that companies actually used their home office statements in an active way, in bringing influence to bear on agents, assureds and prospective policyholders. He feels issues of this nature should be settled in the fraternity itself and not be put up to the departments.

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Haid in Outline of I. E. A. Objectives

(CONTINUED FROM PAGE 4)

ous organizations performing the same quantity of work.

The need for agents to exercise extreme care in sending daily reports was pointed out, Mr. Haid declaring that every such report, "exclusive of credit reports, correspondence or of any unusual conditions, costs approximately \$1.50 to put it on file; and a like sum for such as had to come off, the latter being a perfectly amazing number."

Stock companies labor under a bad handicap, Mr. Haid said, in being subjected to heavy taxation from which their non-stock competitors are largely exempt. In endeavoring to remove this discrimination, agents could be of material aid to companies. After noting the startling loss record for March, Mr. Haid took up the relationship between companies and agents, noting the appointment by the I. E. A. of a committee to confer with a like body from the National Association upon matters of common concern.

Support Agents' Organizations

As to state agents' associations, he offered that during this year and continuing thereafter, there will be noted "a very definite urge on the part of companies' members of the I. E. A. to have their agents belong to the state associations and to the various local boards."

Concluding, he held that if the companies members of the association are willing not only to talk but to endorse a brand new principle of cooperation and conference with agents throughout the country, the former have the right to ask agents to represent only organization companies."

W. O. Wilson Opposes Idea of Automatic Cancellation

(CONTINUED FROM PAGE 4)

and to substitute for the rule of ruin the rule of reason."

Mr. Wilson said that companies are divided and that special automobile policies are being offered at less than standard liability and property damage rates. He apparently was referring to the named assured policies of the Indemnity of North America and the Alliance Casualty. The commissions on these special policies are lower. By lending support to the sale of such contracts, Mr. Wilson predicted that the day would be hastened when 15 percent would be the going commission on all automobile business.

Mr. Wilson suggested that meetings with agents of sister states, for instance, North Carolina, South Carolina and Georgia, might be helpful.

Mr. Wilson enumerated some of the accomplishments of the Virginia association. "We have largely broken up overhead writing," he said. "Do you remember the case of the Newport News Shipyard and Dry Dock Company? We not only located this steal but we had every policy canceled and rewritten through regular sources in Newport News."

Bank agencies are not increasing, he said. The legislative committee has been effective. Rate wars are practically a thing of the past. Underwriters annexes have almost ceased and evil of multiple agencies has almost ceased to exist. Resident agents' laws have some standing. Mr. Wilson said that the agents are winning their fight for conference on rate changes. He expressed the belief that the creation of the Insurance Executives Association was hastened by the demand of the National Association of Insurance Agents for a committee with which the agents could confer.

Mr. Wilson reported the membership at 245, a net increase of 43 for the year.

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(A Repeated Message)

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FINANCIAL STATEMENT

January 1, 1932

ASSETS

Cash	\$ 249,914.67
*Bonds and Stocks	4,195,115.26
Balances Due from Companies	542,942.58
Accrued Interest	28,269.39
	<hr/>
	\$5,016,241.90

LIABILITIES

Premium Reserve	\$1,800,317.27
Loss Reserve	329,104.00
Balances Due to Companies	161,543.09
All Other Liabilities	16,000.00
Reserve for Security Values (Voluntary, not required)	450,000.00

Capital	\$1,000,000.00
Net Surplus	1,259,277.54
Surplus to Policyholders	2,259,277.54
	<hr/>
	\$5,016,241.90

*Insurance Commissioners' Valuations.

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YOUNGSTOWN, OHIO
Phone 3-0914Great Interest in
Chicago Meeting

(CONTINUED FROM PAGE 3)

insurance and workmen's compensation. Most of the commissioners arrived Tuesday and held informal conferences during the day. There were present from the far west Commissioners Fishback of Washington, Mitchell of California and Thulemeyer of Wyoming.

Bruce Shepherd, actuary of the New Jersey department, who has just been elected actuary of the Association of Life Insurance Presidents, was on hand and received congratulations of his friends.

Mortensen Gives Views

Commissioner Mortenson of Wisconsin, who is much interested in the valuation question took the position that so far as his department is concerned, values must be based on Dec. 31 figures, when annual statements are filed with the department. He said that in no other way can his department get a complete picture of what the finances of an insurance company are.

Commissioner Boney of North Carolina arrived Sunday to look over the ground. Commissioner Dunham of Connecticut was an early comer and got in some golf before Wednesday. There was a large delegation of mutual casualty and fire officials headed by Manager A. V. Gruhn of the American Mutual Alliance. J. V. Barry, vice-president of the Life Extension Institute, appeared for the first time at a commissioners' meeting in that capacity. His successor in the Metropolitan Life, C. G. Taylor, Jr., was on hand. The commissioners during their stay arranged for the program for the annual meeting.

President Kurth of the Home arrived Wednesday to hobnob with the crowd.

Report of Blanks Committee

At the Wednesday morning meeting of the executive committee Actuary Robertson of the Ohio department reported for the blanks committee, announcing some changes. He said that in the fire and casualty blanks if the amortization plan were used in valuing bonds, an amendment would have to be made to the blank. The amortization plan is prohibited in Massachusetts and perhaps a few other states. Chairman Boney requested that members suggest topics to be discussed at the annual meeting.

Following the meeting Superintendent Van Schaick of New York called a meeting of the valuations committee. Secretary J. G. Read of Oklahoma announced that the committee on examinations would meet. Superintendent Hanson of Illinois called a meeting of the fire insurance committee and Commissioner Tarver of Texas, a meeting of the life committee. The compensation committee will meet Thursday. The committee on reserves other than life will meet. There will be a meeting of the convention proper Thursday morning.

Heavy Storm in Kansas

During the past week a number of small tornadoes struck scattered points in southern Kansas, the most serious occurring Saturday at Wichita, Anthony, Wellington and other parts of the south central part of the state.

The municipal airport at Wichita suffered damage estimated at \$100,000 when the municipal hangar and two private hangars were badly damaged.

A number of steel oil rigs south of Wichita were wrecked as were numerous farm properties scattered over a distance of 100 miles. At Anthony a large Oil Compounding Plant was wrecked and the roof of the city water tower blown off. Smaller losses occurred throughout the residential and business districts of Anthony, Wellington, Argonia and other smaller communities. As the wheat harvest was just under way, considerable damage was done to uncut fields by the heavy rain, wind and hail.

Late News from the
Casualty Field

Death of E. J. Halligan

E. J. Halligan, manager of the bonding department of the Standard Surety & Casualty of New York, died suddenly Saturday morning from a heart attack. He was at his office the day before. His surety experience started with the U. S. Fidelity & Guaranty. Later he was connected with the Massachusetts Bonding, Union Indemnity and Metropolitan Casualty. He was manager of the New York City surety department of the Metropolitan Casualty in 1929 when he resigned to accept a similar position with the Standard Surety.

Hodges Suddenly Called Home

Vice-President C. E. Hodges, Jr., of the American Mutual Liability of Boston, who was in Chicago attending the meeting of the insurance commissioners, was notified of the serious illness of his son and left by plane for home.

Can't Charge Additional Premium

NEW YORK, June 22.—Under a ruling of Superintendent Van Schaick, the Globe Indemnity is prohibited from charging an additional premium for an extension of coverage granted a New York City assured under a general liability contract. The rule of the National Bureau in respect to the matter is vague, and its reformation is requested.

Write Big Government Bond

The \$4,600,000 bond required of James Stewart & Co., of New York, successful bidders for the construction of the new building of the Department of Labor and the Interstate Commerce Commission at Washington, was issued by the National Surety, with the Aetna Casualty, Fidelity & Deposit, Globe Indemnity, Hartford Accident and New Amsterdam Casualty as co-sureties.

Can't Sue for Husband's Negligence

A wife whose husband was negligent in the operation of an automobile owned by another person cannot sue the owner of the car for injuries sustained in an accident caused by her husband, according to a ruling made by Judge W. W. Bardwell of the district court in Minneapolis. The decision was made in a \$11,500 suit filed by Hilma Weatherly against Hjalmer Anderson, a friend, whose automobile her husband was driving.

Fire Rate Boost
Seen Inevitable

(CONTINUED FROM PAGE 3)

Property-owners now are giving much thought to the character and standing of fire companies, and realize the need for adequate fire rates if they are to continue supplying indemnity of unquestionable character. This is evidenced by the statements made by J. G. Clark, director of insurance of the National Retail Dry Goods Association, who after reciting the decrease of 33 1/3 percent in tariffs from the prewar level, frankly conceded the need for an early advance. Thus even interests outside fire insurance now believe this action should be taken without further delay.

Cairns on Chicago Visit

Vice-President E. T. Cairns of the Fireman's Fund is in Chicago this week attending the meeting of the Rocky Mountain supervisory committee and visiting the western department under Manager S. M. Buck. C. C. Hannah of Boston, eastern manager, joined Mr. Cairns at Chicago for the conference.

12

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Virginia Agents Reelect Wilson

(CONTINUED FROM PAGE 5)

costs. He expressed belief, however, that the principle of governmental regulation soundly applied is here to stay. Mr. Peery, a former congressman, was introduced by President Wilson as one who was expected to be the next governor of Virginia.

T. McCall Frazier, state motor vehicle commissioner, who was once Mr. Peery's private secretary, predicted that legislation passed at the last session would result in the reduction of automobile accidents and make possible the lowering of automobile rates. He was referring to the passage of the drivers' license law, the financial responsibility law, and the act providing for a larger motor vehicle patrol. He told the convention that plans were being shaped to get as complete a report as possible of all automobile accidents on Virginia highways and he asked the cooperation of agents in his efforts. He would furnish report forms in which he could be supplied all information sent the companies in regard to accidents, he told them. "By the time the next legislature meets," he said, "we will be in much better position to know just what additional legislation should be enacted to hold down accidents."

No Personal Bonds

He told the agents, in explaining the provisions of the safety responsibility law, that no personal bonds would be accepted. They would all have to be corporate and no companies would be accepted that do not make a deposit to guarantee payment of obligations.

John R. Dumont, manager of the Interstate Underwriters Board, explained the purposes of this organization, showing how it could be helpful to agents in retaining or getting lines that would otherwise go to the big brokers.

John J. Hall, director of the street and highway safety division of the National Bureau of Casualty & Surety Underwriters, who has conducted save-a-life campaigns in 20 states, spoke in favor of state regulation of motor vehicle drivers. States with driver regulations show approximately 29 percent decrease in accidents against those states with no such restrictions, he said. He made it clear that the companies do not make insurance rates. Communities make them through the number and consequences of their accidents and ambulance chasing lawyers who build cases far beyond their worth do injury to the entire community. One of the bright spots in the traffic situation today was described as the decrease in accidents to school children.

W. H. Bennett, secretary of the National association, was scheduled to deliver an address on "Issues of 1932" but pressing business in New York prevented him making the trip to Richmond to address the convention.

Ransom on Reciprocity

C. O. Ransom, prominent Cleveland agent, addressed the Virginia association in behalf of the reciprocity idea and offered a number of practical suggestions for putting it into action. A small number of communities, he said, has made an attempt at organized reciprocity, although the agents are overwhelmingly in favor of the idea.

To make reciprocity effective, it is necessary to prove to the insurance buyer that the insurance business is in a position actually to deliver the patronage which is promised. The problem arises of directing the purchasing by women dependents of agents. Mr. Ransom suggested that wives and daughters could be controlled in the purchase of staple articles, provided the husband will pay the bill without complaint even if the article could have been purchased for less elsewhere.

The husband control is less effective when it comes to buying dresses, house

furnishings, etc. The women want to exercise their own taste.

As to purchase of supplies for automobiles, difficulties arise. Many users of gasoline and oil, he pointed out, have favorite brands, but the question arises whether the agent will patronize what he may regard as an inferior brand merely because the insurance attitude of the dealer is "favorable." Then there is the question of the attitude to the local distributor who is a patron of stock insurance, but whose merchandise is manufactured by a concern whose attitude is the opposite. These examples, Mr. Ransom said, illustrate the difficulty of delivering to the stock insurance patron the business he expects. "The big job of organized reciprocity," he said, "is to break down, if possible, promiscuous self interest and to substitute for it directed self interest."

Mr. Ransom explained the reciprocity methods pursued in Dallas, San Diego, Rochester, N. Y., and Minneapolis. He suggested that the methods of all these cities be adopted. In Dallas a survey was conducted "to establish the importance of stock insurance to the commercial and industrial welfare of the citizens of Dallas." Partial returns indicate that annual payrolls, together with payments other than payroll to people in Dallas in the business of stock insurance amount to about \$6,500,000 and that there are 12,750 stock insurance operators and their dependents in the city. These facts are widely publicized.

Single Out Assureds

In Rochester and San Diego a group of agents endeavors by joint personal work on the assured to retain or reclaim a line for stock companies. There are difficulties in working out such a plan, he said, but they can be surmounted.

In Minneapolis a survey similar to that of Dallas is made, but the assured is also reached by a questionnaire, which explains the reciprocity idea, calls attention to the potential market awaiting patrons of stock insurance and asks the assured for an expression of attitude. A so-called "white list" is put out and is given publicity. The Minneapolis plan, he said, if used, should come only as a supplement to the other plans and then only as a last resort in case the other plans fail.

Mr. Ransom suggested that a national director of reciprocity might be appointed, a person who is a capable sales director and has a familiarity with the insurance business.

While waiting for crystallization of thought, he said, agents and their families should deliver their patronage in a way that will bring the desired results.

Bank Agency Report

The executive committee, headed by W. Hunter Bell of Norfolk, reported that it had succeeded in having several bank agencies taken up during the year, among them being the appointment by the Globe & Rutgers of H. E. Wall, who is connected with a bank at Quantico; appointment by the Camden Fire and the Philadelphia Fire & Marine of M. B. McDaniels, connected with the Vienna Trust Company at Vienna. Mr. Bell reported that although there had been correspondence on the subject his committee had not yet been successful in bringing about a correction of a case involving the appointment of Mr. Wall by the Aetna Casualty. This bank agency, the committee said, also represents the Firemen's of Newark.

Regarding complaint as to the appointment by the Old Dominion Fire of Roanoke of J. S. McConnell at East Radford, who is alleged to be connected with a bank there, the committee reported that the company took the position that McConnell is within his rights, as the agency has been in business for 15 years. The matter is not yet adjusted.

Investigation was also made of the case of C. A. Lucas of Pembroke, Va. According to the committee, he was appointed by F. W. and H. A. Jones, general agents, of Suffolk, for the Uni-

versal and Southern States Underwriters. The claim was made that Lucas had been a solicitor for the Kearsly agency at Radford since 1919. Lucas is a cashier of a bank at Pembroke.

Investigation, the committee stated, had disclosed only two offices to be indulging in operating both a general and local agency. These agencies, according to the committee, were T. J. Ingram, Lynchburg, and F. W. and H. A. Jones. Negotiations with these firms are still in progress and a satisfactory adjustment is expected.

Non-Admitted Companies

Practice of placing insurance in non-admitted companies is an evil which is rapidly becoming more prevalent in Virginia, C. J. Duke, Jr., of Portsmouth, chairman of the legislative committee, stated. "This practice," he said, "brings about a considerable loss to the state in revenue, enables the companies writing this business to escape their fair share of the burden, and loses profitable lines to the honest agent and broker within the state. Our court decisions and constitutional provisions make this a difficult problem to solve, but certainly some step should be taken to settle this perplexing question."

"Among the many problems which will confront us within the next few years will be the question of acquisition cost and that involves the justification for agency commissions," Mr. Duke went on to say. "The most helpful asset we can have is the public's good will. They pay for prompt and intelligent service and in turn are demanding and expecting an intelligent body of agents who have the ability and the determination to protect their interests at all times. The future of our business is largely in our hands. This is becoming increasingly true. A concerted and cooperative effort on our part will insure to those of us who keep abreast of the times a future even brighter than the past. Certainly, unless we accept our responsibilities and render a service compatible with our pay we cannot hope to live and prosper."

Believing that the insurance profession and the public generally would be benefited by the enactment of an agency qualification law, Mr. Duke voiced hope that the new commission charged with the duty of codifying the insurance laws of Virginia will consider this question.

Report of the membership committee of which Ben W. Sebrell, Jr., was chairman, showed that as a result of a drive during the year a total of 57 names were added to the roster and that the year was closed with a total membership of 254.

L. E. English in Warning

L. E. English, general agent of Richmond, brought greetings from the American Association of Insurance General Agents. He advised the agents to select their companies with the utmost care. He predicted that there will be many more mergers of companies. He said that several years ago companies and agents were disposing of underwriters agencies, but the merging process seems to be bringing them back again.

Mr. English mentioned the tendency during the prosperous years for companies to acquire any other company that was offered for sale. Many bad buys were made, he declared. Now the attitude of the parent company should the subsidiary need considerable cash in order to remain solvent, is being investigated. In some groups, he pointed out, partial ownership is vested in the main company, either through direct holdings or through a holding corporation. In others the parent company is the owner of a majority of the subsidiary stock. Mr. English said that where about 90 percent is owned by another company in excellent condition, the obligations of the controlled companies will probably be met. But, he declared, where there is joint management without financial control it is doubtful just what would happen.

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CASUALTY AND SURETY SECTION

Page Thirty-one

Bank Protection Is Job for State

Algire Says Installation of Protective Devices Is Not Solution

INDORSES STATE TROOPERS

National Surety Official Discusses Bank Robbery Situation Before Minnesota Bankers Association

The bankers must look to the state for burglary and robbery protection, rather than depending upon their own devices, R. A. Algire, vice-president of the National Surety, told members of the Minnesota State Bankers Association in session at St. Paul. The Insurance Federation of Minnesota was holding its annual gathering in St. Paul that day and members were invited to attend the bankers' meeting.

Mr. Algire said that installation of special protective devices by a limited number of banks is not a solution to the mutual problem of banks and insurance companies. That installation diverts losses to banks that have not been sold such devices, he said. The insurance companies still get the losses, their revenue being reduced on one hand because of the special discount while the losses are not reduced in the aggregate. The only really effective form of protective work, he said, is that which automatically applies to all banks in a wide area. Mr. Algire commended the state trooper and state wide vigilante plan.

The activities of bankers associations, according to Mr. Algire, under the leadership of resourceful men cooperating with public officials have brought good results and the work must go on, but he said that in the last analysis the answer rests with the state.

Record in Ten States

Ten states having state police, Mr. Algire reported, and in which are located 6,399 banks, during the two and one-half year period beginning Sept. 1, 1929, had total bank burglary and robbery losses of \$837,274. Those states were Connecticut, Massachusetts, New York, Maine, Michigan, Pennsylvania, West Virginia, Maryland, New Jersey and Rhode Island.

Six states not having state police and in which are located 6,364 banks for the same period had total losses amounting to \$2,641,879. Those states were California, Missouri, Illinois, Oklahoma, Indiana, and Wisconsin.

Before the advent of Liberty bonds, hard roads and the automobile, Mr. Algire pointed out that bank robbery losses were negligible. For many years there was no charge for the bank robbery hazard. It was given away with the burglary insurance.

By 1914, however, robbery losses had become so frequent that it was necessary

Cut Rates Based on Cut in Commissions Are Condemned

HASSINGER GIVES WARNING

Louisiana Man Urges Mississippi Agents to Sponsor Anti-Discrimination Law for Casualty, Surety

James E. Hassinger, vice-president of the Louisiana Insurance Society, in his address before the Mississippi Association of Insurance Agents in session at Jackson, cited the benefits of an anti-discrimination law for casualty and surety lines on the score of eliminating cut rates, commission reductions and cut throat competition. In addition, he recommended an act to require the signature of a bona fide local agent.

If these laws are enacted, it would be up to the agents to use their influence in electing public officials who will administer the laws with good judgment, he said.

Mr. Hassinger said that agents who write at cut rates are in the position of charging their friends or controlled accounts full price and giving the same contract, the same service and protection to new or competitive accounts at a lower rate. He said that if the agent cannot justify the rates, company and agency, he cannot justify his commissions or his right to consider his business as a profession.

Contribute Commissions

Some companies, Mr. Hassinger said, are persuading the agent to contribute part of his normal commission to the rate cut. He said this points to dangerous consequences. Commissions today, he said, due to reduced premium income, scarcely cover operating expenses. However, it would be difficult to convince the commissioners that the agents are not overpaid, when the companies have case after case in their records proving that the agents use a part of their commission in the rate cut and thereby admit that it is possible to operate an agency at a lower scale of commission.

Mr. Hassinger condemned reduction of commissions on depository bonds 33 1/3 percent. He pointed out that rates were increased 50 percent a few weeks earlier. He cited the recent special rates for federal government projects, in which a lower commission cost was taken into consideration.

"Does it not appear," Mr. Hassinger asked, "that in the effort to get out of the red of company operation, the agent is bearing not only his part but many other parts as well."

to make a charge. A flat rate of \$1 per thousand countrywide was made. By 1916 this rate averaged \$2 per thousand. Since that time changes have occurred so that bank robbery insurance in the middle west averages about \$8 per thousand.

In the meantime, he said, burglary losses have steadily decreased and the rates on burglary insurance have remained about the same.

For the ten year period beginning Jan. 1, 1921, according to Mr. Algire,

(CONTINUED ON PAGE 34)

Understanding Reached on Chicago Casualty Situation

COST CONTROL NOW ASSURED

Chicago Representatives and Head Office Executives Agree on General, Office, Regional Agency Limitation

After two days of conference in Chicago, a committee of head office executives and a joint committee of Chicago branch managers and general agents arrived at an understanding this week on many acquisition cost matters which beyond doubt will be sanctioned by the casualty-surety acquisition cost conferences.

Following the conference, J. A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, stated that no obstacles now stand in the way of launching the Chicago Casualty Acquisition Cost Control, which was projected more than a year ago.

Malah Would Be Manager

The manager of the Control would be the manager of the National bureau's Chicago branch office, Peter Malah.

Possibly another conference will be held to settle minor points before the head office executives depart from Chicago.

The conferees agreed that the number of general agents in Chicago should be limited to two per company. This is the present limitation, but there has been no pretense of observance.

Under the agreement, the existing but unobserved limitation of one regional agent per company is to be enforced. A regional agent gets 2 1/2 percent more commission than a broker.

Office Agent Action

The conference decided that the present so-called office agents, who also get an additional 2 1/2 percent commission, should be charged against the allotted 22 office agents for each company in the state. The office agent's contract, under the agreement, will be non-transferable and this class eventually will be eliminated if the pact is carried through. When an office agent loses his contract, it will expire.

The conferees agreed that all existing "relief" should be eliminated and that to get "relief" in future, new application must be made.

No Overriding Action

No action was taken on the request of the Chicago general agents for additional overriding commission. The general agents contended that they were entitled to additional compensation to give them equality with branch offices.

There were two sessions, one presided over by J. S. Phillips, president Great American Indemnity, New York; former general manager National Bureau and former New York commissioner, at which only branch managers were present, and the other with Mr. Beha as chairman, attended only by general agents.

William Leslie, associate general manager National Bureau, was on hand. Among home office executives who at-

(CONTINUED ON PAGE 36)

Submit Changes in Compensation Line

Insurance Commissioners Hear Program of Revision in Chicago Meeting

REVISIONS ARE RADICAL

25 Percent Rate Increase, Graduated Commission Scale, Return for Good Experience Proposed

Three important changes in the compensation rating structure were proposed to the executive committee of the National Convention of Insurance Commissioners in Chicago this week by a delegation of stock casualty companies.

These changes involve an emergency increase of 25 percent on all existing compensation rates, a graded scale of commissions, a so called retrospective rating plan.

Retrospective Rating Proposal

An outstanding feature of the plan is the retrospective rating proposal. This provides for a return premium to the policyholder six months after the end of the policy year, if his experience is satisfactory. It would be applicable only to risks of \$500 or more and would be granted on the experience of the company. It does not replace the experience rating plan. A somewhat similar system has been in operation in group life insurance for the past five years, it is pointed out. The Associated Indemnity has applied somewhat the same principle for optional application to compensation. It must not exceed 20 percent.

No graduation of commissions is proposed for premiums of \$500 or less, the present scale of 17.5 percent being retained. Details for graduation of commissions on premiums above \$500 are being considered by the committee.

Underwriting Loss Heavy

In 1931 the underwriting loss on compensation was over \$23,000,000, the ratio being 19.1, and the total loss ratio was 73.3 percent. Over a nine years period the underwriting loss has been over \$124,000,000. Executives state that efforts in the past to develop adequate rates by predating rate levels upon known conditions of earlier years have not produced adequate rates.

Meetings were held last week in the offices of the National Bureau of Casualty & Surety Underwriters, and representatives of all bureau and non-bureau stock casualty companies were present. The outcome was unanimous acceptance of the principles of the plan. Further conferences with representatives of the National Association of Insurance Agents, National Association of Casualty & Surety Agents and the American Association of Insurance General Agents and several brokers' associations were held.

(CONTINUED ON PAGE 34)

Nordyke Cites Best Sales Opportunities in Casualty

MENTIONS HEATING BOILER

Saturation Point in Automobile Far from Reached, Travelers Man Tells Kentucky Agents

The greatest possibilities for development of casualty business are in automobile, heating boiler, burglary, general liability and property damage, plate glass and accident, according to Karl L. Nordyke, casualty manager for the Travelers at Louisville, who addressed the Kentucky Association of Insurance Agents in annual session.

Not more than 9,027,000 motor vehicles registered in the United States are insured for public liability and property damage, Mr. Nordyke asserted. Since those lines are the largest premium producers in the automobile field, the automobile casualty business has far from reached the saturation point.

Heating Boiler Field

Although about 80 percent of the insurable power boilers are insured, only 15 percent of the heating boilers are covered, Mr. Nordyke said. "If it is possible," he said, "to educate the owners of power boilers to the value of boiler insurance and inspection service, then it is equally possible to educate the owners and operators of heating boilers."

The development of burglary insurance has been rapid in the past few years, but the surface has only been scratched, he declared. The need for this coverage is growing greater every day, but the premium income has not grown in the same proportion as the need for the protection.

Mr. Nordyke quoted G. F. Michelbacher as stating that 2½ percent of the field for public liability and property damage liability has been covered. Mr. Nordyke mentioned as desirable general liability and property damage lines, manufacturers and contractors, owners or contractors protective public liability and property damage, owners, landlords and tenants, theater and elevator, teams, public liability and property damage, residence and farm employers.

Attention to Plate Glass

Plate glass should receive more attention, he said. Accident insurance is the oldest casualty line and is one of the best known among insurance buyers. Every man should have this form of insurance, he declared.

Mr. Nordyke touched upon the loss situation. He said that if business is properly and carefully selected and the agents refrain from submitting risks and occasionally forcing companies to accept risks known to be loss producers, the tremendous underwriting loss could be partially corrected. Complete cooperation between company officials, field men and agents is indicated.

As to engineering and inspection, Mr. Nordyke said that there is no doubt but that the number and severity of accidents are reduced where the assureds and companies cooperate in the promotion of safety and welfare work among employees. On the building of a skyscraper of 12 stories or more, the average loss of life is one man for every eight floors, he said. When the Woolworth building was put up, the contractor and the insurer took specific precautions to prevent accidents, with the result that not a single fatal accident occurred during the entire construction.

The Buick Motor Company, he declared, shows a saving of \$70,000 a year due to safety work; the Eastman Kodak Company reduced its annual cost of accidents from \$35,000 a year to \$3,500; for every dollar the American Car & Foundry Co. pays on safety work it gets

Leslie Answers Request of Boney for N. C. Rate Cut

The demand of Commissioner Boney of North Carolina that automobile public liability and property damage rates in his state be reduced 30 percent has been answered by William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters, with the statement that the rates are fully justified by the experience filed by member companies of the bureau for North Carolina.

Mr. Boney had protested against the rate increases and threatened that a state regulatory law might be passed next year unless rates are reduced. He also condemned underwriting practices of certain companies.

Can't Use Calendar Year

Mr. Leslie asserted that rates cannot be determined from calendar year figures, representing paid losses and written premiums. He said the rate increases promulgated Feb. 1, 1932, were based on experience of policy years 1929 and 1930, on an incurred loss basis, with an added 5 percent contingency factor to offset the rising cost trend.

Mr. Leslie stated that the bureau is giving consideration to the elimination of family guest coverage from the standard automobile policy, but that action may not be taken until autumn.

Mr. Leslie pointed out that in increasing the standard limit rates this year there was a substantial reduction in the charges made for excess limits coverage.

Oppose Plan to Let Labor Board Make All Inspections

NEW YORK, June 22.—Casualty company executives in attendance at a conference called by the department of labor here yesterday failed to show any enthusiasm over the proposition advanced by Commissioner Perkins that they withdraw their inspectors in New York and instead have all compensation risks surveyed by employees of the labor board, the companies of course standing the expense. Failing of support for her suggestion, Miss Perkins opined that the move would yet come about within five years, from which conclusion the underwriters again dissented.

Donahue in the West

J. Ray Donahue, vice-president and head of the agency department of the Independence Indemnity, is on a western trip and visited the new Chicago branch office. Mr. Donahue interviewed applicants for the position of Chicago manager.

back \$1.70; over a 10-year period for every \$9.70 spent by the United States Steel Corporation on safety it got back \$14.60.

Casualty insurance, according to Mr. Nordyke, is not bought without solicitation. A certain amount of educational work is necessary. The agent owes an obligation to himself to see that his job is well done, and the job is not well done if he does not sell assureds complete protection, including the various casualty lines. The agent owes an obligation to his assureds to give them an opportunity to buy these lines. Insureds are leaving to agents to point out their insurable risks and it is the agent's duty to sell them the protection that they need to prevent financial loss. It is embarrassing to have an assured suffer a loss that is not covered but that could have been covered.

Wilbur E. Boney, Columbus, O., attorney, is giving a series of talks on the driver's license and financial responsibility acts over radio station WAIU at 6:30 each Tuesday evening.

Virginia Automobile Rating Organization Is Effectuated

NAME GOVERNING COMMITTEE

E. E. Cadmus, Compensation Manager, Also to Head New Bureau—Mutuals Walk Out

RICHMOND, VA., June 22.—The Virginia Automobile Rate Administrative Bureau to administer automobile liability and property damage rates and rating plans in Virginia was effected last week pursuant to a new law requiring companies writing these lines to set up a bureau for the making of rates which shall be under supervision of the state corporation commission. Under the constitution adopted, there is to be a governing committee of seven. Companies named members of the committee are: American Fidelity & Casualty, Travelers, Maryland Casualty, United States Fidelity & Guaranty, Aetna Life, Employers Liability and the Lumbermen's Mutual Casualty.

Commissioner Bowles Presides

The organization meeting was held in the state corporation commission's offices with George A. Bowles, insurance commissioner, as chairman and E. E. Cadmus, manager workmen's compensation inspection rating bureau of Virginia, as secretary. Mr. Cadmus was named manager of the new bureau which will begin to function as soon as the new schedule of rates is approved by the commission.

The new law became effective June 20 and requires the rates to be filed within a month. The bureau will be located in the Grace-Arcade building in which the workmen's compensation bureau is now located. The two bureaus will function separately with Mr. Cadmus in charge of both.

Companies Well Represented

A constitution submitted by the National Bureau provides for a governing committee of only six members but this was amended, increasing the number to seven. Twenty-two stock companies were represented at the meeting and 13 mutuals. The mutuals tried to get a fifty-fifty representation on the governing committee, insisting that it should consist of an equal number of stocks and mutuals just as they are represented on the governing committee of the workmen's compensation bureau but they were voted down. A. V. Gruhn, Chicago, attorney representing the American Mutual Alliance, together with other representatives of mutuals, walked out of the meeting at this juncture, announcing that they would appeal to the corporation commission from its action in denying them equal representation on the committee.

Ninety Percent Stock

Representatives of the stock companies took the position that inasmuch as these companies were writing more than 90 percent of the business in Virginia they were entitled to a much larger representation on the governing committee than the mutuals.

It is provided in a section of the new law that the Virginia Insurance Rating Bureau may be designated as the administrative bureau in instances in which automobile property damage is written in conjunction with automobile fire and theft insurance.

Lloyds on Philadelphia Loss

London Lloyds is understood to carry \$500,000 as primary cover on the Girard Trust Company of Philadelphia, from which \$20,000 in securities was stolen recently. Apparently no trace of them has yet been found. A short time previously another Philadelphia banking house was robbed of \$90,000. Lloyds again being credited as the indemnitor.

Problem of Public Official Bond Analyzed by C. T. Hyre

TAKES UP DEPOSITORY ANGLE

Louisville Manager for the Fidelity & Casualty Addresses Kentucky Association of Insurance Agents

The problem of handling public official bonds, where there is depository liability involved, was discussed by C. T. Hyre, bond manager of the Louisville branch of the Fidelity & Casualty, in his address before the Kentucky Association of Insurance Agents.

The public official bond partakes of the nature of a fidelity bond insofar as the principal condition normally is that the principal make a proper and true accounting of all funds, but there is also some liability which would ordinarily cause this type of risk to be classified as a surety bond insofar as the condition usually obtains that the public official shall faithfully perform his duty. If the matter ended there, according to Mr. Hyre, the public official bond could be freely written, but there has been a strong tendency, he pointed out, to hold that a proper accounting of all funds means that the public official is responsible for funds which have been deposited in good faith in a bank which later failed.

Premium Too Low

Since the premium for a public official bond is about \$5 a thousand, whereas the depository bond rate is some \$10 to \$20 per thousand, the hazard to which the company is exposed if it is to be held liable for failure of a public official's depository bank, is far in excess of the liability for which the premium was contemplated.

Increasing the rates on public official bonds would not justify executing those bonds, as often the company would be unwilling to take on depository liability for the bank used by the public official bonded, regardless of the premium.

Mr. Hyre recalled that the surety companies submitted at the last session of the Kentucky legislature a bill definitely to relieve a public official of responsibility for deposited funds. The bill failed of passage but the legislature did enact an amendment to the banking laws whereby the depository bank is authorized to pledge collateral to secure the public funds deposited there. Where the bank does so pledge collateral, Mr. Hyre said that the company can now execute the various bonds required of public officials, but care must be exercised to handle the incidental details properly.

Get Complete Information

In urging cultivation of the bond business, Mr. Hyre advised agents to learn enough about the business to send in the requisite information to the company, but to leave technicalities and details to the bond manager. Many risks are declined, he said, because of lack of complete information. A very little study will enable the agent properly to prepare an application and get incidental information which is requested.

Mr. Hyre explained the difference between fidelity and surety bonds and explained that neither is a policy of insurance. Practically all contracts contain a third party from whom the company has a right to expect recovery if the necessity of paying a loss arises.

Theoretically, according to Mr. Hyre, no surety company should ever execute a bond for any person who is not financially capable of reimbursing them for any loss. Actually such conditions cannot prevail, although for financial guarantees, such as tax bonds, lease bonds, etc., the surety requires the principal to have quick assets several times

(CONTINUED ON PAGE 36)

Glass Bureau in Chicago Starting

Meeting of Staff with Managers and Underwriters Is Held This Week

JULY 1 DEADLINE SET

President Fiery at Open Meeting Calls for September Renewals—Slipner Explains Methods

All members of the new Cook County Plate Glass Service Bureau at Chicago must file their September renewal rates by July 1, President E. I. Fiery announced at a meeting Wednesday at which methods of operation were explained in detail by H. J. Slipner, vice-president.

October renewal rates must be filed by Aug. 1, November rates by Sept. 1, etc. There will be a two months gap—July and August—in which member companies will report on only those risks which they write. Although admittedly there are some matters to be ironed out, it is expected there will be little difficulty.

One of the pressing problems is what to do about the disparity in discounts in zone 1, the "hot risk" sections of Chicago, on which the W. F. Moore plate glass rating bureau of New York allows 60 percent discount, whereas the plate glass department of the National Bureau of Casualty & Surety Underwriter allows only 20 percent. There are subscribers to both bureaus in the Chicago bureau and the lower discount leaves National bureau members at a rate disadvantage in the neighborhood.

In all other respects rates of the two New York bureaus are identical, Mr. Slipner, assistant manager Bankers Indemnity, stated in his explanation of bureau methods. It is expected that some 5,000 risks will be filed by July 1, and approximately the same number each succeeding month. It is said there are around 75,000 insured plate glass risks in Chicago and Cook county, with some \$800,000 glass premiums.

Cards for making reports have been printed and distributed. One form (white) is for filing rates, giving location, premium, company, whether plates, sheets, prisms, showcase plates, mirrors, art glass, lettering, other glass, upper floors, and whether new business or renewal.

Another form (yellow) is the request for rates, with space for the same information. A third form (pink) is for risks canceled or renewals declined on account of experience, giving location, total premiums, number of losses and amount of losses. The fourth form (blue) is to note cancellation for non-payment of premiums, and gives location, earned premium, assured and agent or broker.

The blue form is expected to go far toward curing the free insurance evil on Chicago plate glass, which has been very troublesome, as members have agreed not to write any risks reported for non-payment until the previous account has been straightened up. The pink form will indicate hot risks, on which through the bureaus all members will have the benefit of experience of other companies, whereas non-members will not. It is expected non-members will be heavily penalized through losses until they have built up adequate experience on these hot risks.

Most differences in rates and misunderstandings on other matters will be

(CONTINUED ON PAGE 38)

Taxi Owner-Driver Financial Responsibility Ruling Made

ACTION IN NEW YORK STATE

Driver Can't Claim Protection Unless Specifically Covered by Policy Even When Insurer Is Liquidated

ALBANY, June 22.—The New York state bureau of motor vehicles has promulgated a ruling of importance to drivers of taxicabs and omnibuses. Unless an automobile insurance policy is drawn so as to specifically insure the driver of a taxicab or omnibus he cannot successfully claim protection from the policy that covers the car and its owner.

Charles A. Harnett, commissioner of motor vehicles, requested legal advice on this question involving financial responsibility. "Where a joint judgment is taken against the owner and a driver who was not the owner of an omnibus covered by a bond or policy in a company which becomes insolvent, shall we suspend the driver until proof of financial responsibility is furnished?"

Must Cover Both

"The answer to this question," according to the ruling, "depends upon whether the policy was so drawn as to insure the driver. Some policies are so drawn and many are not. All policies in New York must insure the owner against a judgment taken against him on account of the acts of the driver operating with his consent. But this provision covers the owner and not the driver. If the driver is not covered by the policy, the liquidation of the insurance company means nothing to him, and he cannot escape suspension on the ground of such liquidation."

In case of an insolvent insurance company an automobile owner who was insured by it, and against whom judgment has been returned, cannot be suspended for failure to give proof of financial responsibility, the person receiving such judgment being advised to file it with the liquidator.

The effect of the ruling is to hold that the license of the taxicab or bus driver must be suspended until financial responsibility is shown, if a joint judgment has been secured against such

Tax on Checks Causes Some Employers to Pay in Cash

BUY PAYMASTER INSURANCE

Firms Compare Cost of 2 Cents Per Check and Cost of Robbery Insurance in Making Decision

The possibility now exists that large employers, who have been meeting payrolls by checks, will revert to the old system of paying in cash in view of the federal tax of 2 cents to be imposed on checks, drafts or orders for the payment of money, drawn upon any bank, banker or trust company under the new revenue law.

If this development comes about, it will be of interest to insurance people, because of the demand for paymaster robbery insurance on the part of employers reverting to the cash basis. An employer in South Bend, Ind., has already decided to pay in cash instead of check and he is attempting to get paymaster robbery insurance, limited, however to cover only in the interior of the bank and of the plant. The money will be conveyed from the bank to the plant by Brink's Express.

It so happens that the company which carries the other casualty lines for the South Bend concern shies from paymaster robbery, but feels obliged to provide the insurance in view of the fact that the concern is such a good patron.

If there is a return to the practice of paying in cash, it will be generally regarded as unfortunate, because police officials, insurance companies, and others have been advocating payment by check and many large employers are now using that method.

Before an employer decides to go on the cash basis, he will compare the cost of insurance and the cost of transporting the money by armored car, against the cost of 2 cents per check. If there is a decided difference, he may take the step that will mean a saving.

driver and the owner of a taxicab or bus, and remains unpaid, although the owner escapes the financial responsibility penalties when the insurance company is taken over in liquidation.

Automobile Ratio Continuing High

Casualty Officials Are Studying Causes of the Bad Experience

ANALYSIS INTERESTING

Last Three Years Brought to the Companies a Deficit of Considerable Magnitude

NEW YORK, June 22.—Casualty companies are studying carefully their automobile business because a few years ago it was regarded as the choicest spot in the casualty picture. While the results on personal liability are not as deplorable as workmen's compensation, yet underwriters realize that this highly desirable class in days gone by has now gotten into the doldrums and is showing an underwriting loss. It is interesting to review the experience since 1923, the exhibit showing an underwriting loss of 2.1 percent over the period. The figures are as follows:

Nine-Year Record Is Shown

Year	Premium	Gain or Loss	Pct.
1923	\$ 70,079,499	\$ 4,455,560	6.4
1924	87,033,991	6,107,997	7.0
1925	97,288,462	4,901,291	5.0
1926	108,834,488	—1,329,073	—1.2
1927	122,429,552	—4,562,262	—3.7
1928	136,821,910	—458,089	.3
1929	150,184,917	—3,938,798	—2.6
1930	166,026,630	—13,917,057	—8.4
1931	173,211,099	—15,656,770	—9.0
		\$1,111,910,608	—23,481,023
			—2.1

Figures for First Period

When the nine year record is divided into three year periods, the results are even more significant. The figures on the first period are as follows:

Year	Premiums	Profit	Profit
1923	\$ 70,079,499	\$ 4,455,560	6.4
1924	87,033,991	6,107,997	7.0
1925	97,288,462	4,901,291	5.0

Total... \$254,401,952 \$15,464,848 6.1

Last Two Periods

Therefore, 1925 ended the time when the companies made money on their automobile liability. The other two periods of three years each are as follows:

Year	Premium	Gain or Loss	Pct.
1926	\$ 108,834,488	\$—1,329,073	—1.2
1927	122,429,552	—4,562,262	—3.7
1928	136,821,910	—458,089	.3

Total... \$368,085,950 \$—5,433,246 —1.5

Year	Premium	Loss
1929	\$150,184,917	\$—3,938,798
1930	166,026,630	—13,917,057
1931	173,211,099	—15,656,770

Total... \$489,422,706 \$—33,512,625 —6.8

Tracing the Causes

It will be noticed that the third period ending Dec. 31 last tells a sad, sad story. These figures are all taken from the New York state department casualty exhibit.

Naturally company officials in analyzing the figures endeavor to trace them back and see what are the causes. These figures include the Massachusetts results, which probably account for a \$5,000,000 underwriting loss during the last four years. Even if the Massachusetts earned premiums and underwriting loss were excluded the deficit would still be great.

The next factor that enters into the situation are the states that control rate making and hence endeavor to take advantage of other states. Whenever a state is given regulation over insurance rates, the issue gets into politics regardless of all efforts to keep it out. This (CONTINUED ON PAGE 38)

State Officials in Chicago



JESS G. READ, Oklahoma
Secretary



C. D. LIVINGSTON, Michigan
President

The National Convention of Insurance Commissioners executive committee is holding its meeting in Chicago this week. Even though this is called an executive committee meeting only, a large number of commissioners not members of the committee are present because of the vital problems before them. C. D. Livingston of Michigan is president of the organization and Jess G. Read of Oklahoma is secretary.

Named Assured Policy Is Analyzed by Competitor

RESTRICTIONS EMPHASIZED

Comparison with Standard Auto Liability Coverage Made By the Continental Casualty

The Continental Casualty has prepared a comparison of the standard automobile public liability policy with the so-called named assured policy to help brokers and agents in meeting competition of the new form.

Whereas the restricted policy requires a signed application and any incorrect statement voids the insurance, the standard full coverage policy does not require any signed application, the Continental Casualty states.

The public liability granted by the restricted policy, the Continental Casualty states, is reduced by the amount of any property damage loss arising out of the same accident, whereas, the standard full coverage policy provides \$5,000 property damage plus the \$10,000 public liability.

The restricted policy, according to the Continental Casualty, provides that the insurance company will pay interest only on its portion of any judgment, even though the insurance company should decide to appeal such a judgment; this means it will pay interest only on the amount of public liability insurance left after the property damage loss is deducted.

Interest on Judgment

The standard policy provides that the company will pay interest on the total judgment, even that portion in excess of the company's coverage, until the company tenders its share into court.

The restricted policy, unlike the standard policy, excludes claims brought against the assured by certain relatives.

The restricted policy covers only the assured and such additional assured as are named in the policy, whereas the standard policy covers the assured and any other persons, firm or corporation responsible for the operation of the automobile or operating the automobile with the assured's consent or the consent of any adult member of his household.

Under the restricted policy if any member of the assured's household is sued and such person is not named as an additional assured, the insurance company is not obligated to defend the case or pay the judgment, where under the standard policy any person liable for the operation of the car will be defended by the company and the judgment paid up to the limits of the policy.

Age Limit Coverage

The restricted policy does not cover the assured or any other person if the car is being driven by a person under 18, whereas the standard policy covers assured and any other person driving with the assured's permission, provided he is over 14 or over the age limit fixed by law.

The restricted policy is void if the premium is not paid by the assured within 30 days from the effective date, whereas the standard policy covers even though premium has not been paid unless the company has canceled by written notice.

The restricted policy does not comply with the so-called financial responsibility laws of any state, whereas the standard policy complies with those laws.

Lloyds Liable Under Bond

The provision in a fidelity bond for coverage of losses revealed within one year after date of expiration in event of non-renewal is effective even when the bond is canceled by the assured. This was the decision of the special term of

Minnesota Federation Is Asked to Aid Two Bills

ST. PAUL, June 22.—Support of the automobile financial responsibility and driver's license bills, which will be introduced in the Minnesota legislature next fall, was solicited of members of the Minnesota Insurance Federation in annual session here by Hugh M. Craig, secretary of the Minnesota State Automobile Association.

Mr. Craig was the principal speaker at the federation meeting which followed a luncheon. H. H. Matteson of St. Paul, head of the federation, presided, and R. B. Nienhauser of St. Paul, a past president, conducted a round table discussion.

Secretary Clyde B. Helm recommended to the incoming administration some means of increasing membership. He urged members to interview candidates for the legislature and discuss freely some of the insurance problems which may come before the legislature. During the early fall, he requested that members submit to the secretary's office ideas on what legislation should be requested at the next session.

As of June 1, he said, membership stood at 477, a decrease since the last meeting of 13 percent.

John A. Melone, local agent of Rochester, was elected president to succeed H. H. Matteson of St. Paul. Mr. Helm was reelected secretary-treasurer.

The chairman of the executive committee is Alexander Campbell of Minneapolis; chairman of finance committee, F. C. Esterly, Minneapolis; chairman legislative committee, G. W. Wells, Jr., Minneapolis.

The following vice-presidents were elected: L. A. Green, surety, St. Paul; George W. Harsh, fire, Minneapolis; O. W. Kolshorn, farm mutuals, Red Wing; Louis L. Law, field men, Minneapolis; L. C. McGee, health and accident, St. Paul; P. F. Otis, casualty, Duluth; E. W. Randall, life, St. Paul; L. M. Thurber, trade mutuals, Chatfield.

The following were elected to the board of directors: W. L. Brooks, Bemidji; O. J. Eastman, Minneapolis; G. W. Fevig, Moorhead; Warren Gibson, Little Falls; H. C. Gildemeister, Gaylord; J. A. Glespie, Carlton; Fred E. Hodgson, Fergus Falls; E. C. Huhnke, Duluth; F. J. Indihar, Gilbert; Kee Le Roux, Grand Rapids; R. W. McGarry, Stillwater; John P. McGee, St. Paul; A. G. Meile, New Ulm; A. C. Page, Austin; A. J. Petersen, Dawson; A. P. Rose, Marshall; Donald J. Scott, Faribault; C. C. Strander, Crookston; H. L. Strom, Jackson; Geo. R. Teeson, Alexandria; Theo. Williams, Mankato.

Guest Bill Passes Senate

BATON ROUGE, June 22.—After a lively debate the Louisiana senate has passed a bill exempting automobile owners or drivers from responsibility for the death or injury of guests in their cars except in cases of gross negligence or intoxication while driving.

the New York supreme court in an action involving the Bank of the United States in liquidation and its insurers, the National Surety and Lloyds of London.

Lloyds issued a fidelity policy covering the Colonial bank, which was merged with the Bank of the United States. At the time of the merger the National Surety replaced Lloyds on the risk.

Lloyds contended that it was not liable for the proportion of the loss which occurred prior to the merger date because there was a cancellation and not a renewal.

The court pointed out the policy was subject to cancellation either at the option of the underwriter or the assured. "To deprive the assured of the benefit of a grace period for the discovery of losses subsequent to cancellation would in effect nullify substantive rights," the court said.

Submit Changes in Compensation Line

(CONTINUED FROM PAGE 31)

At the head of the Chicago delegation is J. A. Beha, general manager of the National bureau. With him are Associate General Manager William Leslie; R. J. Sullivan, vice-president Travelers; C. B. Morcom, vice-president Aetna Casualty; W. L. Mooney, vice-president Aetna Casualty; A. Duncan Reid, president Globe Indemnity; F. Highlands Burns, president Maryland Casualty; E. J. Bond Jr., senior vice-president Maryland Casualty; J. M. Haines, U. S. manager London Guarantee; J. S. Phillips, president Great American Indemnity; J. Arthur Nelson, president New Amsterdam Casualty; Wm. B. Joyce, chairman and E. M. Allen, president National Surety, and W. A. Edgar, vice-president United States Fidelity & Guaranty.

Agents Much Interested

General and local agents were particularly interested in the proposed change in the scale of compensation, and of the effect application of the suggested retrospective method of rating would have upon their earnings. For many years the agents have received flat 17½ percent commission on compensation, regardless of the size of lines. About two years ago the companies submitted a scale of graduated commissions, which the agents declined to accept, holding that other elements besides commissions entered into acquisition cost and should bear their proper share of whatever general reduction was proposed.

Representatives of the National Association of Insurance Agents who participated in the conferences in New York and who are now in Chicago include: President W. B. Calhoun, Secretary W. H. Bennett, T. C. Moffatt, Newark; G. W. Carter, Detroit; and A. I. Wolff, Chicago; while representatives of the casualty agents association were W. G. Wilson, Cleveland; G. D. Webb and Wade Fetzer, Chicago, and President T. E. Braniff, Oklahoma City.

Secretary Bennett's Comment

Secretary Bennett makes the following comment in the forthcoming issue of the "American Agency Bulletin":

"The new program the companies are sponsoring involves reduced commission and expense cost.

"All conferees are agreed that in addition to the necessity for an instant rate increase, the old and discredited system of schedule rating should be abandoned forthwith and universal experience rating substituted.

"Heretofore, rate-making has always been pitched prospectively. That is, a rate is computed for the future that is hoped to be adequate. Each time hope long deferred has proven an elusive snare leading farther and farther into the slough of despond. Now, earnest attention is being given to prospecting a rate with a retrospective operation, if a given risk develops a favorable loss ratio. Thereby it is hoped that a more nearly exact equality can be brought about. A good experience, a lesser final cost—a bad experience, the manual rate."

Can't Buy Liability Insurance

Attorney General Webb of California has delivered the opinion that the 1931 statute authorizing use of public funds in payment for liability insurance to protect public officers from negligence claims appears to be unconstitutional. He advised the state department of finance that premium payments should not be authorized unless legally sanctioned by proper judicial proceedings. He said that the statute did not create an additional liability on the part of public officers but prescribed the procedure to be followed by claimants resulting from liability created by law.

Bank Protection Is Job for State

(CONTINUED FROM PAGE 31)

that part of the earned premium available for burglary and robbery losses and profits of insurance companies of all bureaus nationwide, was \$10,713,831. The losses paid were \$11,173,986, producing an underwriting loss of \$460,155.

This experience is aggravated by even worse experience under bank fidelity bonds, he said. The premium income available for losses and profits of bank fidelity bonds for the eight year period beginning in 1923, amounted to \$8,734,277, while losses paid were \$12,041,420, producing an underwriting loss of \$3,307,143.

The fact that there are some 10,000 fewer banks today than there were 10 or 15 years ago, he said, does not alter the fact that there still remain hundreds of banks of every type so that a burglar or robber does not have to go out of business. Despite the decrease in the number of banks, the number of bank robberies has been on the increase. The load falls more heavily on the remaining banks.

Another problem is the reduction in amount of insurance carried, because of the rate increase. This has an unfavorable effect on the experience.

Illinois Seeks Liquidation of the Northern Casualty

The Northern Casualty, Chicago reciprocal, has been referred to the attorney-general by the Illinois department for liquidation. This is approximately the 25th company so referred about which the attorney-general has taken no action. According to Best's, cash assets at the end of last year were \$44,656, surplus \$33,025, unpaid claims \$6,610, unearned premiums \$3,222, net written premiums \$32,708, loss ratio 20.2 percent, which included adjustment expense, and expense ration 78.1 percent.

The Northern Casualty carried the insurance for members of the Automobile Club of Illinois.

Hagge Made President

M. P. McCullough, president of the Employers Mutual Indemnity of Wausau, Wis., is made chairman of the board and H. J. Hagge becomes president. D. C. Everest is vice-president. A 25 percent dividend on all policies expiring in June this year was declared, with the exception of personal accident, where the dividend is 20 percent. Mr. Hagge has been vice-president and general manager. Mr. McCullough lives at Schofield, Wis.

Mr. Everest is connected with the Marathon Paper Mills of Wausau.

The three vice-presidents are George E. Foster, A. R. Callender and Mr. Everest. Mr. Everest was elected to the vice-presidency succeeding to the vacancy caused by the promotion of Mr. Hagge.

Kilbourn with Cumberland Agency

Special Agent C. H. Kilbourn of the Aetna Casualty at the Minneapolis office has resigned to become a member of the Brobeck Agency at Cumberland, Wis. He has been with the Aetna Casualty for 18 years, serving in various capacities.

Quits Merit Rating

The Consolidated Indemnity has ceased to grant the merit rating endorsement on automobile public liability policies in New Jersey, according to announcement of Harry I. Jacobs, resident manager for that company in New Jersey.



Today's problems handled by modern methods

*A*dherence to obsolete methods has never handicapped Lloyds Casualty Company in its fifty-two years of existence, because it is continually keeping abreast with present-day methods.

The whole operating organization of Lloyds Casualty Company is composed of men grounded in all phases of Casualty and Surety work. Lloyds Casualty agents find considerable pride in representing an old company using all modern methods.



LLOYDS CASUALTY COMPANY

M. DANIEL MAGGIN, Vice President & General Manager

75 MAIDEN LANE NEW YORK CITY

Plate Glass and Casualty Lines, including Fidelity and Surety.

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ACCIDENT AND HEALTH FIELD

Plan Detroit Sales Congress

Accident & Health Managers Expect to Stage Educational Event Second Week in September

DETROIT, June 22.—Plans for an accident and health sales congress, to be held the second week in September, were laid at the June meeting of the Accident & Health Managers Club of Detroit, the last of the season. President George Brown, Continental Casualty, named an arrangements committee to handle the sales congress, consisting of J. P. Collins, National Casualty, past president of the National Association of Accident & Health Managers, chairman; H. H. Jones, Commercial Casualty; E. H. McFarland, North American Accident; Clare Stewart, Pacific Mutual, and T. F. Gaffney, Title Guaranty & Casualty.

The sales congress will be designed not only to train men now in the business but to interest outsiders in entering the accident and health business and to interest other insurance men in these lines. An effort will be made to secure the cooperation of Governor Brucker in proclaiming the week in which the sales congress takes place Michigan Accident & Health Insurance Week. The congress will be an all-day affair, with at least six prominent speakers at the morning and afternoon sessions and a prominent life insurance speaker at the luncheon.

W. M. Chittenden's Change

W. M. Chittenden & Co., Inc., of Cincinnati has retired from business. Mr.

Chittenden is now operating as W. M. Chittenden & Co., with offices in Westfield, Mass. He continues the writing of deferred payment protection. The business of the Chittenden Company is written in old line legal reserve stock companies. Branches and agencies will be retained as heretofore in all principal cities.

Proclamation Aids Production

LOS ANGELES, June 22.—The luncheon-meeting of the Accident & Health Managers Club of Los Angeles was devoted mainly to a discussion of the increased production of business as a result of the proclamation by Governor Ralph of the week of June 6 as Accident & Health Insurance Week in California. On account of the delay in receiving notice of this proclamation and the preparation necessary in arranging for production contests in the various agencies, the drive for new business was continued through the week ending June 18. The leader in each agency will be the guest of honor at a banquet to be given by the club later in the month. A few of the companies reported increases for the first week estimated at from 35 to 40 percent.

Heath With Loyal Protective

B. A. Heath has been elected assistant secretary of the Loyal Protective of Boston. He was for eight years with the accident and health claim department of the Southern Surety, and since 1929 its manager. He is a lawyer, licensed to practice in both state and federal courts. His duties with the Loyal Protective will be primarily concerned with claim work.

Problem of Public Official Bonds Analyzed by C. T. Hyre

(CONTINUED FROM PAGE 32)

in excess of the amount of suretyship. In an appeal bond the companies ask that acceptable collateral be deposited.

Sureties do not always require that applicants show liquid assets in an even amount with their liability. In construction bonds, the companies require only that the contractor's statement reveal he has cash or quickly convertible securities in an amount sufficient to carry through the job which he is undertaking, usually requiring assets in sums ranging from one-seventh to one-tenth of the amount of the construction contract. The contractor's bid must be in line, experience sufficient, equipment ample, reputation good and he should not have too much other work on hand.

Understanding Reached on Chicago Situation

(CONTINUED FROM PAGE 31)

tended the meetings representing the national acquisition cost conference in addition to Mr. Phillips, chairman, were W. L. Mooney, Aetna; E. J. Schofield, Globe Indemnity; W. A. Edgar, United States Fidelity & Guaranty; J. M. Haines, London Guarantee.

Branch managers present representing this group were W. O. Schilling, United States Fidelity & Guaranty; W. W. Steiner, Globe Indemnity; George Tramel, Aetna; H. B. Bale, Standard Accident.

The general agents' committee was composed of W. Herbert Stewart, J. K. Walker, P. B. Hosmer, Allan I. Wolff, Wade Fetzer, Lyman M. Drake and George D. Webb.

This latter contingent argued that costs of general agency operations have

gone up considerably, and they cannot meet the excess commission activities of many branch offices and remain solvent on the present commission scale. The counter to this, however, was that commission increase is impossible at this time and elimination of excess commissions might serve to relieve the situation.

The general agents were practically unanimous in the belief that if present limitations were closely adhered to and a top cost placed on their operations, they could manage to operate within these restrictions at a fair profit.

Receiver for Los Angeles Surety

LOS ANGELES, June 22.—A petition for receivership for the Los Angeles Surety was granted by Superior Judge Gates. Commissioner Mitchell, who was named receiver by the court, has taken possession of the company's property and holdings. The company commenced business July 12, 1928, with George D. Blair, Los Angeles attorney, as president. C. Kleinman was secretary when the company was organized but later was succeeded by C. V. Ivey. When organized it had \$200,000 authorized capital and paid-in surplus of \$24,715. It wrote general fidelity and surety lines and was licensed in California.

Settlement in Wisconsin Case

MADISON, June 22.—Judgments have been entered in the Dane county circuit court for \$166,666 against the United States Fidelity & Guaranty and \$83,333 against the Fidelity & Deposit for surety bonds covering the state's deposit in the defunct Capital City bank. The judgment was agreed to by counsel for both the companies and the state.

The companies continue to claim that any sum above \$250,000 deposited by the state treasurer were loans by the state rather than deposits and litigation continues in this connection over \$400,000 more deposits.

CASUALTY PERSONALS

Vice-President **M. P. Cornelius** of the Continental Casualty has left his office in Chicago and is spending his vacation at Lac du Flambeau in Wisconsin, where he goes with his family every year. President **H. A. Behrens** will leave July 7 for his place at Belvidere Island in San Francisco Bay. He has cut down the length of his vacation this year. Mr. Cornelius will return in August, as the claim men of his company will hold their gathering in that month.

Barbara Jane Paul, daughter of Casualty Manager **N. M. Paul** of the Travelers in Minneapolis, is taking an important place in the ranks of insurance people in the promotion of street and highway safety. Her activities recently included several talks before her schoolmates in Minneapolis in the interest of automobile accident prevention.

Barbara Jane is 9 years old and is in the fourth grade. Recently she used the portfolio-easel of illustrations on automobile accidents provided by the Travelers in a talk before her class. She was asked to make the talk again in another room, and later two rooms were combined and the talk was given for the third time in the same day.

In the school paper one of her classmates said that "Barbara Jane gave a very interesting talk to our class on automobile accidents. She had a chart with pictures to explain the things she was telling us. After her talk she gave each of us children a safety pamphlet to take home to our parents. We enjoyed her report very much and think it will help us to keep our safety rules."

In another class pupils formed a committee to write some rules to prevent automobile accidents, as follows:

Look both ways before crossing the

street. Cross the street at crossings only. Stop and think where you are going before crossing. When you step off the street car, go right to the curb. Do not cross the street behind cars. Do not run for street cars. You might not see an automobile coming. Do not hang on the back of cars. Do not stand on the running board of a moving car. Do not play in the streets.

Henry Reardon, Newark manager of the Standard Surety & Casualty and former president of the Casualty Underwriters Association of New Jersey, spoke at the luncheon meeting of the Hillside Rotary Club last week on "The Law of Average—Relative to an Analysis of Automobile Accidents and Its Effect on Insurance Automobile Rates."

Harry S. Byrne, veteran Omaha general agent, has been recommended for appointment by the war department to succeed W. T. B. Belt of Omaha as civilian aide for Nebraska. The position is one of honor and not of profit. The duties require the holder to promote attendance at the government's civilian training camp held annually at Fort Crook, near Omaha.

Donald Miller, son of **E. J. Miller**, Denver casualty general agent, has just been graduated from the New Mexico Military Institute. "Don" and Jimmie Rogers, son of Will Rogers, were among the eight students of the school to make the 1932 polo team.

J. Dillard Hall, manager of the Iowa-Nebraska department of the U. S. F. & G., and chairman of the accident prevention committee of the Des Moines Casualty & Surety club, broadcast from

stations WHO-WOC June 21 on street and highway safety.

Mr. Hall has been appearing before civic organizations in various localities in his territory for several weeks addressing them on safety, and has received high commendation for his activity in this direction.

Seek Mississippi Compensation Act

JACKSON, MISS., June 22.—A movement is under way in Mississippi sponsored by the state development board to have the legislature enact a workman's compensation law. Mississippi is one of only three states in the union without such a law. The development board claims that under existing conditions there is no limitation to big judgments obtained for disabilities against employers and that this fact is quite a drawback to the industrial development of the state. Objections to the law have been voiced chiefly by lawyers, because legal services are not required under its terms, and by those who object to a negro obtaining as much for injuries as a white man.

Chicago Branch Moves

The Chicago branch office of the London & Lancashire Indemnity is moving from 330 South Wells street to A-2055-A-2061 Insurance Exchange building, June 27. J. M. Fraser, manager, took charge of the Chicago office in October, 1931, having been transferred from the Syracuse branch, of which he was manager, in charge of agency and claim work.

Suit Against Son Thrown Out

A liability insurance case which is considered important from a legal viewpoint, because "friendly" suits in which insurance companies are made the "goat" are becoming a big problem in automobile cases, was heard in circuit court at Madison, Wis. Mrs. Nancy Ihland of Mt.

Horeb lost her suit against her son, Sanford Ihland, and the Underwriters Casualty when a jury returned a verdict holding that Sanford was an unemancipated minor and hence under her direction and control, and that he had not cooperated with the carrier in defense of the suit. Mrs. Ihland was suing for damages for injuries sustained when a car driven by her son ran off the road. The company charged that Sanford was interested only in seeing his mother win the case against him.

Must Insure Patrons

NEW ORLEANS, June 22.—New Orleans taxicab operators will be required to insure against injury to their patrons and the utilities commissioner has given the taxicab owners until Aug. 1 to work out a plan which is satisfactory to them.

Pass on Nebraska Service Law

The federal court for Nebraska has decided that the statute of that state which allows out of state defendants in automobile accident damage suits to be brought into the state courts through service by mail by way of the secretary of state's office is valid, but only in those cases where cars are brought in from other states to use Nebraska highways. It found that in the case before it against the E. C. Yeager Company of Springfield, Ill., the company could not be forced to defend a suit in a Nebraska court, when summoned under this statute, merely because one of its agents was regularly using a car it had purchased for him in its business.

Commercial Casualty Changes

James R. Dowd has been made superintendent of claims at the Newark branch office of the Commercial Casualty, succeeding Joseph Brasa, who is transferred to the home office claim division as examiner of liability claims.

INSURANCE MEN

find the best way to keep plate glass insurance on the books is to provide their clients with prompt, desirable replacements after glass is cracked or broken.

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Mississippi Agents Hold Convention

(CONTINUED FROM PAGE 7)

Mr. Palmer said that local boards are now in existence in Meridian, Jackson, Vicksburg, McComb, Hattiesburg and regional associations are in existence in the Delta and on the Mississippi coast. The membership of all these organizations should be made coextensive with Mississippi association, he said.

Mr. Palmer suggested that mid-year meetings of the Mississippi association be held at a regular time each year. He suggested that the program be limited to one day and be devoted entirely to a program by agents for agents.

High Loss Ratio Considered

Of great importance was consideration of the high loss ratio in Mississippi which went to 99 percent last year and according to current reports is even higher this year. The convention voted in favor of a tristate conference with Arkansas and Louisiana, and authorized a committee of three to consider the plan.

The state's excessive loss ratio was treated by Secretary Grover of the America Fore group and Manager Wheeler of the Mississippi Rating Bureau. Past President Rodriguez of the Louisiana Society declared that companies are mainly to blame for the high loss ratio through appointment of new, unapprenticed agents.

Automobile Ratio Continuing High

(CONTINUED FROM PAGE 33)

is not true of the New York department. It is honestly endeavoring to keep companies solvent. It would seem that other states are endeavoring to force companies into insolvency. Therefore states that have regulation endeavor to beat down the rates to the lowest level because in this way political capital can be made out of the fact that those at the state house are protecting the premium payer. Frequently compromises are made when the companies know that the rates are too low.

Rate Making Not Correct

In the third place, the National Bureau of Casualty & Surety Underwriters, in automobile, as in other lines, has not taken into consideration important upward progressive trends in the claim ratio, has used the average experience of the previous five years and has not introduced into the rate formula a factor for gradually increasing claim ratios. Then again competition has entered into the situation and undoubtedly rate making authorities have been influenced to an extent by the competitive feature.

There are all sorts of rates made. There are special rates for large policies, for improvised fleets, for different classification, merit rating, and the like. These reduced rates naturally have an effect on companies that are endeavoring to live up to the manual. Regardless of the experience and the story the figures tell, it is found that some companies are running hog wild in their automobile departments even today.

July 1 Deadline for Filing Chicago Plate Glass Rates

(CONTINUED FROM PAGE 33)

ironed out by John A. Lawler, secretary. Provision is made in the agreement, however, for an arbitration committee of three members in each case, one each to be selected by the two companies involved and the third member selected by the two others. The com-

mittee's decision will be final save for right of appeal by the "defendant" to the bureau as a whole.

Each member company will be designated in all filings merely by number, the identity being known only to the secretary. A rate must be asked for each risk and all must be stamped by the bureau.

The Chicago bureau plan originally called for severe penalty for rule infraction, the company being required to re-insure the risk for a year without commission. However, this was changed and now the requirement is only cancellation and rewriting of the risk at the correct rate. There is nothing in the rules, however, against writing a risk at more than the filed rate.

Many benefits are expected to result from the bureau's operations. There are now 31 company signatories. Since they represent about 90 percent of Chicago plate glass premiums, the arrangement it is felt will very nearly end cut-throat rate competition.

"Hot" risks in many cases have been written at inadequate premiums due to lack of interchange of experience. Bad risks hereafter will be penalized and all members will know the experience. From an underwriting viewpoint it is expected bureau members will be able to get the cream of the business, and "hot" risks will be canceled unless adequate premiums can be obtained, for the outsiders to fight over. One of the bureau's chief benefits will be concerted action on a risk which suffers excessive breakages.

Sources of Much Loss

Another source of much loss has been new office buildings, on which obviously no experience is available and a "judgment" rate must be used. The bureau program calls for more premium on new buildings until experience indicates a reduction safely can be made. The bureau will have control over zoning.

From the producer's viewpoint the bureau is confidently expected to produce more premium, and therefore greater commission, not alone from correction of the rate situation on bad risks and new buildings, but from elimination of much rate-cutting. Cuts of 25 to 30 percent have been common. One large chain risk on which the adequate premium was figured at around \$125 per store is said to have been written finally at \$35 per store after being hawked around the streets. Whereupon it "burned up" the issuing company. The bureau will use basic rates of the National bureau and Moore office, which are deemed adequate for the average good risk, with appropriate discounts sanctioned by the two organizations in line with experience.

Is Second in Country

The first general meeting this week was attended by managers and their assistants, underwriters and clerks, invited by bureau officials.

The Chicago bureau is said to be the second in this country. The other one was organized in New York City some years ago and has been highly successful. It has larger scope, however, conducting all surveys for members. While the Chicago bureau's secretary has authority to order surveys in special cases, this is not a regular function. However, there is a possibility the bureau will work into this field in time.

Casualty Notes

N. P. Jensen, who has had charge of the Kansas territory for the Ohio Casualty, with headquarters at Wichita, has resigned.

Tiernon & Co. of Buffalo have been appointed agents of the Fireman's Fund Indemnity for several counties in western New York.

Experienced Payroll Auditor Available

with claim department and special agent training. 12 years casualty experience. Excellent references. Address **W-52**, The National Underwriter.

Gausepohl Heads Kentucky Agents

(CONTINUED FROM PAGE 5)

ing business from out of the state, even though admitted to Kentucky, in line with the laws.

Mr. Thieman reported that Acting Commissioner Brown is making an investigation of the Allstate methods in Kentucky. Mr. Thieman said the plan of having a salaried employee of Sears, Roebuck's Louisville store, sign policies written in Kentucky, as a resident licensed agent, was open to question.

Legislative Report

James E. Manion of Henderson, as chairman of the legislative committee, discussed the work done at the last session of the legislature. He predicted that the governor would have another opportunity to pass upon a qualification bill before leaving office, since the association plans to proceed with its fight.

R. W. Chanaberry of the electrical inspection department of the Kentucky Actuarial Bureau appeared in place of W. E. Clark, manager of the audit department of the same organization. Mr. Chanaberry told how the electrical inspection service had been extended over the state, instead of just in a few of the larger towns. Periodical inspections are carried on, he said, in cooperation with a representative of the utilities company in each city, as well as inspections of the contractors and their stocks of merchandise and equipment. Unapproved and obsolete equipment and material are pointed out. Jobs installed are inspected with the contractor, defects being cited and standard materials being recommended. Architects and builders are visited, along with officials of the towns. Efforts are being made to secure electrical ordinances in all towns for naming of inspectors under such ordinances. So far 14 towns have passed

electrical ordinances, and 13 more have them under consideration.

Mr. Chanaberry cited three recent deaths by electrocution from defective equipment, one by a bathroom heater, another by an extension light, and a third by an electrical pump in a residence basement, and also a fire started by bad amateur wiring or extensions, where an electrical cleaner bumped into a brass bed, causing a circuit. He discussed the large amount of poor quality flexible cord on the market and strapped out fuse plugs. He said strapping out fuse plugs with pennies, or pieces of wire, etc., was just as dangerous as tying down a safety valve of a steam boiler.

Telegram from Levison

Telegrams were read from W. H. Noel, fourth vice-president, Harlan, and from J. B. Levison, president Fireman's Fund.

William A. Reisert of Louisville delivered a report as national councillor.

R. B. Trigg, president, Kentucky Fire Underwriters Association, was first on the program the afternoon of the first day, with a talk: "Cooperation Between Field Men and Local Agents." He said field men should refuse risks when on the ground and cancel while with the agent, rather than to return to their offices and take up the question by letter. He urged agents to engage in sounder underwriting.

The addresses of C. T. Hyre, Louisville, superintendent surety department Fidelity & Casualty, and of Karl L. Nordyke, casualty manager at Louisville for the Travelers, appear in the casualty section.

Banks and Insurance

William J. Rayhill, president of the Louisville Trust Co., who recently disposed of the trust company insurance department, said he is opposed to bankers being in the insurance business. Mr. Rayhill, formerly of the Chemical Bank & Trust Co. of New York, took charge of the reorganization and reopening

of the Louisville Trust Co. Mr. Rayhill pointed out the similarity of the banker and insurance man. They work hand in hand, since the banker can not make a loan without insurance protection, and the insurance man is protected by sound banking connections of his assured. He said banks and insurance companies are the main factors in stabilizing credit. The insurance agent is a specialist, and has much to do with determining the quality of the risk and the coverage, Mr. Rayhill remarked. Coverage must not be over or underwritten, and the agent must turn down those unworthy of protection.

W. B. Calhoun's Address

W. B. Calhoun, president of the National Association of Insurance Agents, touched upon a number of current insurance issues and problems in his talk before the Kentucky agents. He praised the new conference committee of the Insurance Executives Association as promising granting of great consideration to agents before major changes are effective and removing inconsistencies of the business. He expressed the hope that soon the agents will have real conference and cooperation from all company organizations regardless of the class of business written. Mr. Calhoun lambasted Monell Sayre, manager of the Church Properties Fire Insurance Corporation, who termed insurance agents "economic parasites." He said that the agents should be consulted in any program for reduction of commissions. He said that agents who patronize branch offices create a condition for the direct policy writing agents that makes competition impossible to meet.

Mr. Calhoun urged agents to represent only sound companies, be faithful to the interests of the public. He spoke in behalf of local boards and the five year membership campaign of the National association and in behalf of automobile accident prevention work.

E. A. Henne, vice-president and western manager America Fore, spoke briefly

in behalf of cooperation in these distressing days.

Joseph H. Gausepohl, of Covington, was advanced from first vice-president to president, succeeding Mr. Shaw. James E. Manion of Henderson, was advanced to first vice-president; G. R. Reed, Columbia, was elected second vice-president; James McKinney, Owensboro, third vice-president; and Galen J. White, Harlan, Ky., fourth. Mr. Thieman was reelected secretary.

Mr. Gausepohl named five members of his new executive committee, and stated that two more would be named later. Those named were N. I. Taylor, Burnside; H. B. Wilson, Irvine; J. M. Hennessy, Louisville; Mr. Shaw, and D. H. Putnam, Ashland.

J. H. Parker of the Kentucky Actuarial Bureau discussed the program in Missouri and Oklahoma of reduction of hot town losses. He read the report made the previous day by Mr. Trigg before the Kentucky Fire Underwriters Association.

Premium Financing Explained

F. E. Sandford, manager of the Pioneer Finance Corporation of Louisville, explained some of the advantages of premium financing. The plan benefits the agent, he declared, by increasing his sales, giving greater earnings, supplying unlimited free capital, reducing collections, eliminating cancellations and bad debts, releasing his capital, retaining his control of clientele and placing extended credit cost on insureds.

The assured knows the agent too well, Mr. Sandford said. He knows he can stall the agent and doesn't hesitate to do so, but with a finance corporation he signs a contract to pay them so much on a certain date each month and is ready to mail that check when due.

Under a finance plan, there are no flat cancellations, he said. The down payment takes care of the earned premium. The assured is always ahead of the earned premium and if he defaults,



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cancellation can be effective which will
eliminate debit balances.

Fred C. Snapp, farm manager for the
Aetna Fire spoke on his specialty. His
remarks are reported elsewhere.

Reciprocity, Golden Rule

John M. Hennessy of Louisville pre-
sented a discussion of reciprocity, which
he said is an adaptation of the golden
rule.

The golden rule is being constantly
violated, he said. That is being done,
for instance, he said, by the local agent
who patronizes a bank which conducts
an insurance department and takes
business from this local agent.

The Louisville board, according to Mr.
Hennessy, has to a certain extent been
successful in spreading the gospel of
reciprocity to local merchants. Re-
cently the business of one of the larg-
est department stores, he said, which is
part of a chain, has been retrieved from
eastern brokers.

Illustrative of the spirit of reciprocity
is the recent bulletin of the Kentucky
state auditor calling attention of the
companies to the fact that the resident
agents law would be rigorously en-
forced, he declared. Having been given
the assurance of support and encourage-
ment of the Kentucky association, ac-
cording to Mr. Hennessy, the auditor
can and is enforcing insurance laws
without fear of restraining influence.
The resident agents law, according to
Mr. Hennessy, should go far toward
correcting the evil of overhead writing.

Mr. Hennessy questioned whether
any of the companies were practicing
reciprocity when they have reinsurance
contracts with objectionable companies.

Mr. Hennessy mentioned that suc-
cessful reciprocity plans were in force
in Dallas, Minneapolis, and Rochester,
N. Y. He explained in some detail the
Minneapolis plan.

The newly elected officers each had a
few brief remarks to make as introduced.

CASUALTY ASSOCIATION NEWS

Coast Club's "Get-Together"

Serious Business Taboo at Banquet of San Francisco Casualty Association

SAN FRANCISCO, June 22.—The
Casualty Insurance Association of San
Francisco held a banquet and informal
entertainment at which serious business
was entirely abandoned.

B. G. Wills, vice-president Fireman's
Fund and president of the association,
spoke briefly as to the purposes of the
dinner and announced that "shop" was
out of order. T. J. A. Tiedemann of the
Pacific Coast branch of the National
Automobile Underwriters Association
had charge of the entertainment pro-
gram.

Informal talks were given by Joy
Lichtenstein, Pacific Coast manager of
the Hartford companies; Guy Le Roy
Stevick, vice-president Fidelity & De-
posit; J. C. Piver, "Underwriters Re-
port"; C. K. Drew, "Western Under-
writer"; Guy C. Macdonald, "In-
surance Field"; Earl Davis, Pacific Indem-
nity; David Duncan, Globe Indemnity;
Luther Armstrong, Travelers; H. E.
McClellan, Maryland Casualty; R. W.
Forsyth, Indemnity of North America;
W. A. Chowen, California Inspection
Rating Bureau; George Cusick and Mr.
Duncan were song leaders.

May Limit Membership in Chicago Club to Managers

There is a movement in the Casualty
Club of Chicago to limit the member-
ship to branch managers. The club as
operated since organization about a
year and a half ago, has had as members
not only managers but also general
agents, although the bulk of the
membership is branch managers. The
original plan was to alternate in the
presidency a manager, and then a gen-
eral agent. W. Herbert Stewart of
Stewart, Keator, Kessberger & Led-
erer, general agency, was president last
year, but at the same time he was very
active in the new Chicago Agents As-
sociation. This arrangement it is be-
lieved by some members will not work
out well, since it would be practically

impossible for a general agent who was
president, for example, to bring an un-
biased viewpoint to the joint meeting,
and vice versa if a manager were at
the head.

Massachusetts Seeks Data as to Property Damage

BOSTON, June 22.—Commissioner
Brown has sent a letter to companies
operating in the state requesting they
file data immediately relative to auto-
mobile property damage rates. This is
the result of the legislature passing a
bill requiring the revocation or suspen-
sion of automobile licenses where the
owners do not satisfy judgments against
them for property damage within 60
days. The letter asks filing of classi-
fication of risks and a schedule of pre-
miums used by the companies for prop-
erty damage and any rating plan em-
ployed.

Question Ruled Permissible

The South Dakota supreme court has
approved the rule which permits counsel
for the plaintiff in an action for dam-
ages arising out of an automobile acci-
dent to ask prospective jurymen if they
are stockholders, agents, officers or di-
rectors of any insurance company. In
the absence of a jury, the court had
permitted the plaintiff to question the
defendant to determine whether he car-
ried liability insurance. The defendant
admitted that he did. Counsel for the
plaintiff interrogated the veniremen as
to their interest in any insurance com-
pany.

Some Company Will Profit

A well known accident and health under-
writer, now employed by a large, old
established company, wishes to become
the underwriter for a smaller, financially
sound company. This man has a record
of many years of continuous employment,
experience and successful work. He can
handle accident and health underwriting
problems without supervision.

This man is middle aged. He is married.
He can give excellent reference as to
character, reputation and ability. Address
W-51, The National Underwriter.

BACON, WHIPPLE & CO.

Established 1926

H. W. CORNELIUS, Specialist
Insurance and Bank Stocks

Tel. State 3100

Members Chicago Stock Exchange, Chicago Curb and Milwaukee Stock Exchange

112 W. Adams St., Chicago

Right in Your Prospect's Home . . .

National Underwriter Insurance Calendars Are on the Job for YOU 365 Days a Year

CALENDARS are inside bill boards hanging in your prospects' and customers' homes everlastingly hammering home the idea that you are the man to buy insurance from.

Calendars are indispensable—people need them for constant reference in their homes and places of business. There is no other form of inexpensive advertising that even approaches the longevity of calendars.

Calendars make ideal advertising for the insurance man who has only limited funds to spend for advertising. For less than \$30 a man can purchase 200 National Underwriter Insurance Calendars and distribute them to 200 of his select customers and prospects and know that his name and advertisement will be seen by them every day of the coming year. There is practically no waste in calendar advertising as you can give calendars only to people that have the money to buy insurance.

Two Angles Considered

In designing its insurance calendars, The National Underwriter considered the problem from two angles: (1) What kind of a calendar does the average person want to hang on his wall? (2) What type of calendar can best advertise the insurance man's business?

People's taste has been improved markedly in recent years, especially those people who are in position to pay substantial insurance premiums. Huge, poorly printed, red and black calendars that have the advertiser's name in letters ten inches high are no longer popular. Merchants and business men have improved their stores and offices and such a calendar looks out of place hung on their walls.

New Size Proves Popular

Homes are better furnished nowadays and naturally loud, homely looking calendars are frowned upon. So it was decided to hold the size of the National Underwriter Calendar down to a size which would be practical and could be seen across the room yet would not be objectionable. The nine by sixteen inch size adopted has proven very popular and proves that this is the size calendar people want.

People like to look at pictures, because pictures tell the story better than words. Centuries ago Chinese wise men said "A picture is worth a 1,000 words" but in recent times people have become even more picture minded. Movies and newspaper rotogravure sections have contributed their share along this line. A recent advertising study of the reading habits of 40,000 newspaper readers showed that 90 percent read the picture page.

Striking Pictures Used

With this in mind it was decided to use attractive and striking insurance pictures to illustrate National Underwriter Calendars because people like pictures and because pictures effectively present the needs and uses for insurance. A person gets tired looking at the same picture for twelve months so it was decided to have a new picture for each month so that when each old monthly sheet is torn off there is a renewed interest in the calendar.



Year around National Underwriter Insurance Calendars, with your name and advertisement printed at the top of every sheet, hang like an inside bill board in your prospects' and customers' home everlastingly hammering home the idea that you are the man from whom to buy insurance.

Furthermore twelve different needs and uses for insurance are thus shown.

The National Underwriter Insurance Calendars are tastily designed from an artistic standpoint. The two colors, grey and green, stand out yet harmonize. The pictures were carefully chosen, the twelve pictures costing several hundred dollars. The calendars are printed in rotogravure as this process produces pictures of unusually good tone and quality. Much time and money were spent in the preparation of these calendars so they would combine the two important points of being what people want to hang on their walls and what would best sell insurance.

Benefit from Holiday Spirit

Another point in favor of calendar advertising is that the calendars can be distributed at Christmas time and you can benefit from the friendly holiday spirit. In order to tie up with the holiday atmosphere attractive greeting labels are included free with all calendars ordered wrapped for mailing.

If it is possible, it is best that you deliver your calendars yourself, wishing your customers a Merry

The National Underwriter Insurance Calendar has twelve large (9x16 inch) sheets with a different insurance sales picture and caption on every sheet. Your name is printed in large bold type at the top of every sheet where it is seen by all eyes. The twelve sheets are bound together at the top by a piece of tin which has a hinged eyelet for hanging. The calendar pad is large and can be seen across the room. The calendar is attractively printed in two color (grey and green) rotogravure.

The National Underwriter sells both fire and casualty and life insurance calendars for insurance men to distribute to their old customers and prospects. If you wish to see a complete sample send 10 cents in stamps and the style you desire to The National Underwriter, A-1946 Insurance Exchange, Chicago.

Christmas and a Happy New Year. But if you wish, you can purchase the calendars already inserted in pull string wrappers so all you have to do is to address the labels and put on three cents in stamps and drop them in the mail. The pull string wrappers have a heavy thread down the side and when it is pulled the wrapper comes off without damaging the calendar.

Advisable to Order Early

Calendars have to be imprinted with your advertisement so you must order them early so as to get early delivery. This is especially true in case of National Underwriter Insurance Calendars because your name and advertisement is printed at the top of every sheet.

In order to offset the last minute rush in the fall a special 5 percent discount is allowed on all orders placed before June 30. Another advantage of ordering early is that you can secure the exclusive franchise for using National Underwriter calendars in your city, if it is less than 100,000 population, and get the jump on your fellow townsmen in the insurance business.

The National Underwriter will be glad to give you full information regarding its business building insurance calendars. Just write to A-1946 Insurance Exchange, Chicago. If you wish a complete sample of the calendar send 10 cents in stamps.

"WESTERN AND SOUTHERN GROUP"

THE WESTERN AND SOUTHERN INDEMNITY COMPANY

Policyholders Surplus - - -
\$ 1,425,184.17

All Securities Valued at Market December 31, 1931



THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

Policyholders Surplus - - -
\$ 470,875.53

All Securities Valued at Market December 31, 1931

CHARLES F. WILLIAMS, President

Address—William C. Safford, General Manager

CINCINNATI - - OHIO